



OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/KOSOVO'S EFFORTS TO MITIGATE ENVIRONMENTAL IMPACT IN ITS PROJECT PORTFOLIO

AUDIT REPORT NO. 9-000-10-004-P
MARCH 9, 2010

WASHINGTON, DC



Office of Inspector General

March 9, 2010

MEMORANDUM

TO: USAID/Kosovo, Director, Patricia Rader

FROM: IG/A/PA, Director, Steven H. Bernstein [Michael W. Clinebell for] /s/

SUBJECT: Audit of USAID/Kosovo's Efforts to Mitigate Environmental Impact in Its Project Portfolio (Report No. 9-000-10-004-P)

This memorandum transmits our final report on the subject audit. We have considered your comments on the draft report in finalizing the audit report and have included your response in appendix II of the report.

The report contains eight recommendations for your action. Based on management comments and documentation, the audit considers that a management decision has been reached for each of the eight recommendations. Final action has been taken on one recommendation, and determination of final action for the remaining seven recommendations will be made by the Audit, Performance and Compliance Division upon completion of the planned corrective actions.

I want to express my appreciation for the cooperation and courtesy extended to my staff during the audit.

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SUMMARY OF RESULTS

Adverse environmental effects stemming from economic development are a fundamental concern in the developing world. To help ensure adequate environmental oversight and ensure that environmental considerations are integrated into the decision-making process for all USAID-funded projects, programs, and activities, USAID implements Title 22, Part 216 of the Code of Federal Regulations, “Environmental Procedures” (22 CFR 216 [2009]) (see page 3).

USAID’s Office of Inspector General selected the USAID mission in Kosovo as the site of the first in a series of audits to be conducted at selected missions worldwide to evaluate the implementation of 22 CFR 216. USAID/Kosovo funds a broad array of activities with varying levels of potential environmental impact. The audit focused on nine USAID/Kosovo projects active between 2007 and 2009, with a total awarded amount of approximately \$71 million (see page 3).

Based on the audit team’s review of nine USAID/Kosovo projects, USAID/Kosovo is achieving its goals and objectives related to mitigating environmental impacts. The audit did not identify any significant adverse impacts as a direct result of USAID activities. This is partly because Europe and Eurasia Bureau oversight is set up so that bureau staff heavily vets activities with potential for environmental impacts prior to implementation. In addition, although the mission manages a broad range of projects that require environmental mitigation measures, projects with components that have a significant impact on the environment are seldom undertaken. While there are substantial environmental challenges in Kosovo, USAID’s development focus is on market-based economic growth and democracy and governance, not on environmental issues. According to mission staff, the broader environmental issues—including water contamination, lack of solid waste and wastewater management, and industrial contamination—cannot be directly addressed with current funding levels, and even with higher funding levels, the mission likely would not focus on these issues (see page 5).

Although mission staff were aware of USAID’s environmental compliance requirements, the audit found that USAID/Kosovo (1) did not always incorporate environmental assessment requirements into the agreement documents or include environmental compliance expertise as evaluation criteria for potential implementing partners (see page 7); (2) has not consistently collected environment baseline data and has not explicitly incorporated reporting requirements into agreement and contracting documents or included them in implementing partner annual work plans (see page 9); (3) is faced with a lack of environmental expertise because of staffing issues at the mission, regional, and bureau levels (see page 11); and (4) has not formalized and could achieve greater benefit from its Environmental Working Group (see page 15). This report contains eight recommendations to address these concerns.

In summary, the report recommends that USAID/Kosovo:

- Require environmental conditions and environmental compliance expertise to be addressed in solicitations, proposals, and subsequent awards (see page 9);

- Develop procedures to improve environmental baseline data collection prior to implementation, and to improve environmental monitoring and reporting during implementation (see page 11);
- Issue a formal request to the Europe and Eurasia Bureau for a regional advisor to reduce the risk of project delays and environmental impacts in Kosovo (see page 14); and
- Formalize and expand membership in the Environmental Working Group (see page 17).

USAID/Kosovo agreed with all eight recommendations. Based on management comments, a management decision has been reached for each of the recommendations. Final action has been taken on one recommendation, and determination of final action for the remaining seven recommendations is pending (see page 18). Management comments are included in appendix II.

BACKGROUND

Adverse environmental effects stemming from economic development are a fundamental concern in the developing world. As USAID-funded programs are implemented across the globe, it is imperative that the environmental impacts of those programs be carefully considered and mitigated to the extent possible. To help ensure adequate environmental oversight, USAID implements Title 22, Part 216 of the Code of Federal Regulations, “Environmental Procedures” (22 CFR 216 [2009]).¹ These procedures ensure that environmental considerations are integrated into the decision-making process for all USAID-funded projects, programs, and activities.

This regulation (1) assigns responsibilities within the Agency for assessing the foreseeable environmental impacts of USAID’s actions, (2) requires that environmental safeguards be incorporated into program planning and design, and (3) directs that programs be continually monitored and modified when necessary to mitigate environmental impact. In addition, it is USAID policy to assist host countries with strengthening their capability to evaluate potential environmental effects of proposed projects, and to develop effective environmental programs. USAID’s Automated Directives System (ADS) 204, “Environmental Procedures,” provides policy and directives and required procedures on how to apply 22 CFR 216.

Implementation of 22 CFR 216 is coordinated and enforced by a team of professional environmental staff led by the Agency environmental coordinator and a network of environmental advisors at the bureau, regional, and mission levels. While the environmental officers provide support to program staff, ultimately it is the activity managers’ responsibility to continually monitor and evaluate the environmental impact of USAID activities. If properly implemented throughout the project cycle, 22 CFR 216 will result in environmentally sound activities and the promotion of environmental policies consistent with USAID’s development mandate.

USAID’s Office of Inspector General selected the USAID mission in Pristina, Kosovo (see figure 1 on page 4), as the site of the first in a series of audits to be conducted at selected missions worldwide to evaluate the implementation of 22 CFR 216. USAID/Kosovo funds a broad array of activities with varying levels of potential environmental impact. As shown in appendix III, the audit focused on nine USAID/Kosovo projects active between 2007 and 2009, with a total amount awarded and obligated of approximately \$71 million and \$54 million, respectively, as of September 30, 2009.

¹ USAID’s environmental procedures were developed and implemented after an incident in 1974 in which a USAID agriculture project in Pakistan supplied poorly trained field workers with a highly concentrated pesticide. In the heat, five workers who were not wearing protective equipment sprayed each other with the toxic pesticide and died. Following this incident, USAID was sued by a U.S. nonprofit organization. Pursuant to a 1975 stipulation entered as an order of the U.S. District Court for the District of Columbia, USAID agreed to prepare and publish a detailed environmental impact statement on its pesticide activities and to publish regulations implementing the conclusions of the environmental impact statement.



Figure 1: Map of Kosovo

USAID's assistance to Kosovo began in 1999 following the conflict that expelled former President of Yugoslavia Slobodan Milosevic and has continued through Kosovo's declaration of independence in February 2008. Since 1999, more than \$1.2 billion in U.S. assistance has been committed to the reconstruction of Kosovo and to building self-governing institutions and a viable economy. Current activities include capacity building, community development, minority integration, water infrastructure, school expansion, and technical assistance related to health care and energy. Programs focused on community development and minority integration often include a small-scale construction or infrastructure improvement component with potential environmental concerns. Other mission activities, particularly the water infrastructure and resettlement projects, also have potential environmental concerns that must be considered and monitored over the life of the project.

AUDIT OBJECTIVE

This audit was conducted at USAID/Kosovo as the first in a series of audits of USAID's efforts to mitigate environmental concerns in its project portfolio, pursuant to the Office of Inspector General's fiscal year 2009 audit plan. The audit was designed to answer the following question:

- Is USAID/Kosovo achieving its goals and objectives to mitigate environmental impact?

Appendix I contains a discussion of the audit's scope and methodology.

AUDIT FINDINGS

For the nine projects selected for review, USAID/Kosovo is achieving its goals and objectives related to mitigating environmental impacts. The audit, which included site visits at five of the project sites, did not identify any significant adverse impacts as a direct result of USAID activities. This is partly because Europe and Eurasia Bureau oversight is set up so that bureau staff heavily vets activities with potential for environmental impacts prior to implementation. In addition, although the mission manages a broad range of projects that require environmental mitigation measures, projects with components that have a significant impact on the environment are seldom undertaken. While there are substantial environmental challenges in Kosovo, USAID's development focus is on market-based economic growth and democracy and governance, not on environmental issues. According to mission staff, the broader environmental issues—including water contamination, lack of solid waste and wastewater management, and industrial contamination—cannot be directly addressed with current funding levels, and even with higher funding levels, the mission likely would not focus on these issues.

Though USAID/Kosovo does not fund projects that specifically address the environment, the audit found that mission staff generally were familiar with USAID's environmental policies and procedures. All activity managers and some implementing partners for the projects included in this audit have attended environmental compliance training provided by the acting bureau environmental officer. Furthermore, an Environmental Working Group has been established at USAID/Kosovo to share knowledge and experience among mission staff and some implementing partners.

Key aspects of USAID's staffing and procedures that were examined to understand USAID's environmental compliance requirements are discussed below.

Environmental Staffing: Mission environmental officers are appointed by the Mission Director. Mission environmental officers assist and advise mission staff and their implementing partners and contractors in preparing documents on new activities and monitoring compliance on ongoing activities, in accordance with the Code of Federal Regulations (22 CFR 216, "Environmental Procedures"). While the mission environmental officer assists and advises on environmental requirements, the strategic objective team leader and activity managers share the responsibility and accountability for meeting environmental requirements. The ultimate responsibility is with the Mission Director. Typically, mission environmental officer duties are only part of the full range of tasks of a USAID staff position.

Regional environmental advisors are typically based in select missions and support all the field offices in their geographic regions. Regional environmental advisors provide supplementary professional support, training, compliance auditing, compliance evaluations, and regional coordination on 22 CFR 216 matters to Mission Directors, strategic objective teams, activity managers, and mission environmental officers.

Bureau environmental officers are based in Washington, DC, and oversee and monitor compliance with 22 CFR 216 across all operating units in the bureau. The bureau environmental officer decides and approves all 22 CFR 216 documents and ensures that

all staff in his or her bureau are aware of and trained in 22 CFR 216 procedures and standards.

Environmental Procedures: The Initial Environmental Examination is the first step in USAID's environmental assessment process. The Initial Environmental Examination is a document that details the effects of a proposed action on the environment. It evaluates the program activities with respect to environmental impact potential and establishes mitigation actions, including the monitoring and evaluation required from project design through implementation. The Initial Environmental Examination also determines the threshold decision, which is a formal agency assessment that determines whether a proposed agency action is a major action significantly affecting the environment. Threshold decisions are divided into the following categories:

- Categorical Exclusion (no risk of environmental impact)
- Negative Determination without Conditions (no impacts)
- Negative Determination with Conditions (some risk of environmental impact)
- Positive Determination (significant risk of environmental impact)
- Deferral (activity is not developed enough to make a determination)

USAID/Kosovo staff develops Initial Environmental Examinations. If sufficient detail is available at the time of development of the Initial Environmental Examination, this document also establishes environmental baseline data to be collected before activities commence.

Environmental Review documents are completed by implementing partners when specific project locations and activities are further defined after the contract is awarded and more detailed analysis is needed. These documents can include a variety of assessments, but they are meant to determine the scope and extent of additional environmental evaluation, mitigation, and monitoring necessary to fulfill Federal environmental requirements.

Environmental Mitigation and Monitoring Plans detail the measures required by the Initial Environmental Examination or the Environmental Review documents that will be implemented to lessen (or mitigate) any potential environmental impacts of an activity. These plans determine indicators or criteria for monitoring their implementation and effectiveness, and lay out who is responsible for mitigation and monitoring, as well as the frequency with which mitigation and monitoring data will be reported to mission staff.

Although compliance with USAID's environmental requirements is mandatory, the internal processes by which missions and strategic objective teams must meet these requirements are largely unspecified. Each strategic objective team or operating unit is expected to develop its own processes or system.

Audit Findings: While USAID/Kosovo has managed to avoid adverse impacts to the environment resulting from its activities, in order to reduce the risk of adverse impacts in the future, this audit found several areas where improvements are needed. Specifically, USAID/Kosovo (1) did not always incorporate environmental assessment requirements into the agreement documents or include environmental compliance expertise as evaluation criteria for potential implementing partners (see page 7); (2) has not consistently collected environment baseline data and has not explicitly incorporated

reporting requirements into agreement and contracting documents or included them in implementing partner annual work plans (see page 9); (3) is faced with a lack of environmental expertise because of staffing issues at the mission, regional, and bureau levels (see page 11); and (4) has not formalized and could achieve greater benefit from its Environmental Working Group (see page 15).

USAID/Kosovo Should Incorporate Environmental Assessment Requirements in Solicitations and Awards

Summary: USAID guidance requires that activity managers ensure that environmental assessment requirements are met during the design process and are incorporated into solicitation and award documents to ensure that sufficient resources are allocated. However, USAID/Kosovo did not always incorporate these requirements into the agreement documents or include environmental compliance expertise as evaluation criteria for potential implementing partners. This occurred because mission staff believed that attaching the Initial Environmental Examination to the solicitation was sufficient, and that environmental compliance expertise was secondary to the larger assistance goals. Without these elements incorporated into the solicitations and awards, implementing partners were sometimes unaware of the environmental requirements that could affect staffing, budget, and program design.

Automated Directives System (ADS) 204.3.4.a.6 and 303.3.6.3.e require incorporating the environmental assessment requirements outlined in the environmental evaluation documents into implementation instruments for programs, projects, activities, or amendments. ADS 204.3.8 states that strategic objective teams and activity managers must consider the environmental findings and recommendations made in the approved environmental evaluation documents when designing and approving funding for a program or activity. The contracting officer or agreement officer must incorporate these requirements into any contracts, grants, cooperative agreements, or other mechanisms used to implement the activity.

The audit found that USAID/Kosovo did not adequately incorporate Initial Environmental Examination assessment requirements into solicitations and awards, and the solicitations did not include environmental compliance expertise of the implementing partners as a requirement for partner selection.

The process of ensuring proper environmental oversight for USAID programs begins during the program design phase. Potential impacts of a proposed action on the environment and mitigation and monitoring requirements should be determined up front so the responsibilities of project implementers are explicitly enumerated in the solicitations and subsequent awards prior to project implementation. USAID bureau environmental staff told the auditors that the Initial Environmental Examination should be completed prior to the USAID solicitation so the conditions can be included in the solicitation and bidders can address associated cost and staffing in their proposals. Furthermore, in instances when the Initial Environmental Examination cannot be completed prior to the solicitation, the implementing partners should be informed of the

requirements, and the requirements should be included in the agreement and contracting documents.

Of the nine projects audited, only one solicitation document had incorporated the requirements outlined in the Initial Environmental Examination into the solicitation itself. The remaining eight solicitation documents either had a general reference to 22 CFR 216 or contained no compliance language at all. The Initial Environmental Examination was not completed prior to the solicitation for four of these remaining eight projects.

In addition, the USAID solicitation documents establish the criteria for evaluating the proposals received from potential implementing partners. The criteria identify the significant factors that the bidders should address in their proposals and set the standard against which all proposals will be evaluated. None of the USAID/Kosovo solicitations audited had incorporated evaluation criteria related to environmental compliance. Two of nine solicitations contained evaluation criteria with general environment references, including “approach identifies and addresses cross-cutting issues such as gender and environment,” and “[project design incorporates] long-term environmental soundness, social soundness, and economic sustainability.” However, environmental compliance expertise was not incorporated, even for the community resettlement project, which 22 CFR 216 categorizes as a class of action that generally has a significant effect on the environment.

Mission staff stated that attaching the Initial Environmental Examination was sufficient to meet requirements, and the contracting officer would be responsible for putting any specifics from the Initial Environmental Examination into the contract documentation. However, the contracting officer for Kosovo, located in Budapest, Hungary, informed the audit team that the activity manager is responsible for specifying the exact language from the environmental evaluation documents that should be extracted and put into the solicitation, and for alerting the contracting officer accordingly. The contracting officer said that he was not familiar enough with each of the programs to know what specific sections of the evaluations should be included in the solicitations.

USAID/Kosovo is focused on economic growth, democracy and governance, and conflict mitigation. Activities that require environmental oversight are usually a vehicle to further an assistance goal and are not the goal itself; for instance, infrastructure improvements are leveraged to better integrate a minority population. Therefore, implementing partners are generally chosen based on expertise related to the mission’s assistance goals, and environmental compliance expertise often gets overlooked. As a result, none of the winning proposals from the implementing partners specifically addressed how the requirements set forth in the Initial Environmental Examination would be implemented. Only two of nine proposals assigned specific staff to environmental compliance needs. Of the nine award documents, only one contained specific Initial Environmental Examination requirements, three referenced the Initial Environmental Examination, three referenced 22 CFR 216, and two contained no environmental compliance language at all.

Furthermore, some implementing partners were unaware of environmental requirements that could affect budget, staffing, and program design. One implementing partner stated that it was unaware of the Initial Environmental Examination until the week prior to its interview with the auditors and had not been collecting the medical waste data required by the Initial Environmental Examination. Another implementing partner was aware of

the existence of the Initial Environmental Examination, but not the specific requirements for the project, including the need to collect baseline data related to sewer and septic systems and the need for dedicated staff for environmental compliance responsibilities.

To address this matter, this audit makes the following recommendations:

Recommendation 1: *For activities with Threshold Decisions of Negative Determination with Conditions and Positive Determination, we recommend that USAID/Kosovo establish and implement procedures to require activity managers to provide the agreement officer or contracting officer the specific environmental assessment requirements from the Initial Environmental Examination to be included in the solicitation documents, and include environmental compliance expertise in the evaluation criteria for selecting implementing partners.*

Recommendation 2: *For activities with Threshold Decisions of Negative Determination with Conditions and Positive Determination, we recommend that USAID/Kosovo establish and implement procedures to require implementing partners to respond to environmental assessment requirements in their proposal, detailing staff and budget necessary to address environmental assessment and monitoring concerns associated with the project.*

Recommendation 3: *For activities with Threshold Decisions of Negative Determination with Conditions and Positive Determination, we recommend that USAID/Kosovo establish and implement procedures to require activity managers to include environmental assessment and monitoring requirements in agreements and contracts signed by implementing partners.*

USAID/Kosovo Needs to Improve Environmental Monitoring Procedures and Practices

Summary: USAID guidance requires environmental monitoring over the course of project implementation, including collection of environment baseline data at the start. However, USAID/Kosovo has not consistently collected environment baseline data and reporting requirements have not been explicitly incorporated into agreement and contracting documents or included in implementing partners' annual work plans. Activity managers and implementing partners were either unaware of or unclear on the requirements. Because environmental data are not being sufficiently documented, USAID/Kosovo is vulnerable to overlooking environmental concerns that may already exist at project sites or could arise during project implementation.

According to 22 CFR 216.3.a.8, to the extent feasible and relevant, projects and programs with potential for environmental impact should be designed to include measurement of any changes in environmental quality, positive or negative, during their implementation. This requires the collection of baseline data before project implementation. ADS 204.3.4.b states that mission staff is responsible for ongoing monitoring and evaluation of whether the environmental components designed for the activity resulting from the 22 CFR 216 process are being implemented effectively. This

includes identifying and addressing new or unforeseen environmental consequences arising during implementation.

The audit found that USAID/Kosovo did not consistently require and collect baseline environmental data prior to the start of project implementation, did not complete Environmental Mitigation and Monitoring Plans, and was not receiving regular environmental monitoring updates from implementing partners.

Baseline environmental data requirements can be outlined in the Initial Environmental Examination or can be determined at the Environmental Review phase once more detailed data are available on project location and specific activities. For eight of nine projects audited, requirements for environmental baseline data were included in various formats as part of the Initial Environmental Examination. In addition, some Environmental Review templates provided to the implementing partners had a “Baseline Environmental Conditions” section. However, none of the completed Environmental Review documents included specific baseline environmental conditions sections. General background information about the projects was included in the documents, but baseline condition information was either incomplete (in relation to the Initial Environmental Examination requirements) or not addressed. This continues to be an issue. Eleven Environmental Review documents were recently submitted for one project, and according to bureau environmental staff the environmental baseline data were incomplete for all 11 documents.

None of programs audited had Environmental Mitigation and Monitoring Plans. According to USAID environmental training materials, systematic and accountable implementation of environmental conditions is almost impossible without these plans. Subsequently, implementing partners have not been providing USAID/Kosovo with written updates on their observations related to environmental mitigation and monitoring. Implementing partners communicate with activity managers on a regular basis in an informal manner, usually verbally, on the day-to-day progress of project implementation. However, mission staff assumes that “no news is good news” in relation to environmental oversight. In other words, the activity managers assume that a lack of reporting on environmental observations by the partner means that there have been no issues.

USAID/Kosovo has not consistently required or collected baseline environmental conditions because activity managers and implementing partners either were unaware of the baseline data collection requirements or felt that the background information provided in the Environmental Review documents was sufficient to meet the requirements. In addition, existing processes and requirements for Environmental Mitigation and Monitoring Plans were unclear to mission staff and implementing partners. Some mission staff interviewed thought that the recommended mitigation and monitoring sections in the Environmental Review documents were considered Environmental Mitigation and Monitoring Plans. Others recognized that these plans were not being required or completed. Specific baseline data requirements and environmental monitoring requirements were not included in the solicitation, awards, or initial work plans for the nine projects audited. As a result, USAID/Kosovo is vulnerable to overlooking environmental concerns that may arise during project implementation.

Establishing environmental baseline conditions is necessary for USAID to make informed decisions, evaluate risk or liability due to existing environmental concerns at a

site or facility, and sufficiently mitigate subsequent environmental impacts. If issues related to environmental oversight are informally reported, they may not be adequately observed. Activity managers interviewed could not identify any instances in which the implementing partner relayed environmental observations of either impact or no impact. However, the acting bureau environmental officer observed several issues during field trips to the project sites, including a scrap metal pile near a water source and poor slope and drainage conditions during road construction. Activity managers were unaware of these issues because implementing partners were neither reporting them verbally nor documenting them in quarterly reports.

To address this concern, this audit makes the following recommendations:

Recommendation 4: *For activities with Threshold Decisions of Negative Determination with Conditions and Positive Determination, we recommend that USAID/Kosovo include a clause in its contracts and assistance agreements to require distinct language in the implementing partners' annual work plans stating how the partner will address environmental baseline data requirements as outlined in the Initial Environmental Examination and/or as required for the Environmental Review documents.*

Recommendation 5: *For activities with Threshold Decisions of Negative Determination with Conditions and Positive Determination, we recommend that USAID/Kosovo establish procedures to require implementing partners to provide activity managers with Environmental Mitigation and Monitoring Plans as part of their annual work plans.*

USAID/Kosovo Lacks Environmental Expertise

Summary: ADS 204 outlines roles and responsibilities that are necessary to implement USAID's environmental procedures. Owing to staffing issues at the mission, regional, and bureau levels, USAID/Kosovo is faced with a lack of environmental expertise. Deficiencies in environmental resources and expertise available to the mission and implementing partners have impacted the implementation of several projects.

ADS Chapter 204 describes roles, responsibilities, and decision-making authorities regarding USAID's environmental procedures. ADS 204.3.5 states that it is the mission environmental officer's role to assist and advise activity managers and their implementing partners in preparing environmental documents and monitoring environmental compliance on ongoing activities. ADS 204.3.5 tasks the regional environmental advisor with providing supplementary professional support, training, and regional coordination on environmental matters to Mission Directors, mission staff, and mission environmental officers. Per ADS 204.2.e, bureau environmental officers are responsible for overseeing the effective implementation of environmental procedures throughout all missions and operating units in their bureau. The Agency environmental coordinator oversees Agencywide implementation of environmental procedures to ensure that intended results are achieved.

ADS 204 also requires mission environmental officers and regional environmental advisors to liaise with the bureau environmental officer on issues affecting their operating units and missions. Mission environmental officers and regional environmental advisors are responsible for advising mission staff on how to obtain additional environmental expertise to assist in their environmental responsibilities. In addition, ADS 204.2.a states that allocating adequate staffing and financial resources to fulfill Agency environmental policy is the responsibility of the bureau. The mission is responsible for providing the staff and financial resources to its management units to implement the approved strategies consistent with the Agency's environmental procedures.

Implementation of USAID's environmental procedures should be coordinated and enforced by the network of individuals outlined in ADS 204 and, when necessary, supplemented by additional resources available to missions. However, the audit found that access to environmental resources and expertise is lacking at USAID/Kosovo.

Contrary to USAID guidance, USAID/Kosovo and other missions in the Europe and Eurasia region are currently without a full-time regional environmental advisor or full-time bureau environmental officer. The acting bureau environmental officer has been serving both roles since 2005 because of staffing issues at the bureau level. He provides all USAID environmental compliance training for mission staff and implementing partners in the Europe and Eurasia region. There is no deputy bureau environmental officer and no deputy regional environmental advisor to fill the positions in the event the acting individual is unavailable.

According to the mission environmental officer handbook, a mission environmental officer's first contact for advice and assistance on technical matters should be the regional environmental advisor. If additional technical advice is needed or if the regional environmental officer is unavailable, the mission environmental officer should then request assistance from the bureau environmental officer. However, the only bureau environmental personnel available to the mission environmental officer are the acting bureau environmental officer and the database manager, both based in Washington, DC. The mission environmental officer asserted that regional support would be valuable for general environmental advice, site visits, and monitoring. Activity managers and implementing partners agreed that an advisory role is missing at the mission and that consistently available regional help would increase efficiency.

As outlined in ADS 204, USAID/Kosovo's mission environmental officer is the main point of contact for day-to-day environmental procedures at the mission. USAID mission environmental compliance best practices call for the mission environmental officer to have skills and expertise to identify potential environmental components for mission activities; however, the current mission environmental officer does not have an environmental background and had no prior environmental experience before being selected to fill the position. USAID/Kosovo's mission environmental officer is also an activity manager, feels that she does not have sufficient time to dedicate to the environmental role, and is not regularly conducting site visits in that capacity.

Though USAID policy does not require the mission environmental officer to have an environmental background, it is a best practice. USAID/Kosovo is faced with a deficit in available environmental expertise in the absence of a full-time regional environmental

advisor, a full-time bureau environmental officer, and a mission environmental officer with a strong environmental background. The acting bureau environmental officer estimates spending 60 percent of his time managing USAID/Kosovo and one other mission, although only 10 to 15 percent of the workload should come from these two countries.

Additionally, ADS 204 states that mission environmental officers and regional environmental advisors are responsible for advising mission staff on how to obtain additional environmental expertise to assist in their environmental responsibilities, and that allocating adequate staffing and financial resources to fulfill USAID environmental policy is the responsibility of the bureau. Indefinite quantity contracts for specialists in sectors with complex environmental concerns such as agriculture, infrastructure, and industry are available to missions; however, activity managers were not aware that such resources existed and were concerned that even if these resources were available to them, the cost of a third-party contractor would be prohibitive.

As referenced in a prior finding (see page 8), USAID/Kosovo's implementing partners are generally chosen based on expertise related to mission assistance goals, and do not always have sufficient in-house environmental expertise to satisfy USAID requirements. Some implementing partners receive USAID environmental training when it is offered by the acting bureau environmental officer; however, not all implementing partners' employees have received training, and individuals who have received training are not always involved in the projects with potential to impact the environment.

Several projects have been affected by a lack of environmental compliance expertise at the regional level, at the mission, and among implementing partners:

- A project to relocate 50 families from an area highly contaminated with lead was recently halted by the acting bureau environmental officer. The mission environmental officer, activity manager, and the implementing partner felt that the need to move the families out of the highly contaminated area superseded concerns related to putting them in areas with lower levels of lead contamination. Though the acting bureau environmental officer indicated at the onset of the program that a full-scale environmental assessment would be required because of known contamination at the resettlement site and the nature of the activity, the implementing partner and mission staff pursued a less intense environmental review. The implementing partner was not specialized in environmental procedures and took more than 5 months to complete the initial review. This review ultimately proved to be inadequate and USAID bureau environmental staff deemed mitigation measures to be insufficient. The project will remain on hold until an appropriate environmental assessment, as agreed upon by bureau environmental officers and the Agency environmental coordinator, is completed.
- As indicated in the Initial Environmental Examination for a private enterprise project, specific environmental reviews, including Environmental Due Diligence and Pollution Prevention Assessments, may be required for activities involving production and/or processing industrial facilities (including agro-processing in dairy or other projects). Through this project, USAID has funded activities at a dairy collection site, a yogurt plant, and a potato-processing facility; however, no specific environmental reviews had been completed at the time of the audit. Both the implementing partner and USAID mission staff thought that Environmental

Review checklists were sufficient. The acting bureau environmental officer did not concur and suspended the three projects until the required reviews are completed.

- The scope of technical assistance provided by USAID to the Kosovo Energy Corporation has broadened significantly since the project was conceived. Technical assistance originally focused on preparing distribution assets for privatization. However, owing to the poor condition of the power generation plants in the country, USAID's implementing partner is providing management advice related to operation of the power generation facilities on a daily basis, including advice related to activities that may negatively impact the environment, such as possible creation of a lake in the depleted coal mine for plant cooling purposes, disposal of coal ash, and expansion of a coal mine. The implementing partner and USAID/Kosovo staff are interpreting 22 CFR 216 to apply only if USAID is funding specific activities and commodities. However, when technical assistance is provided for programs that include activities directly affecting the environment, the guidance does apply.
- Owing to concerns with project activities, considerable coordination with the acting bureau environmental officer and the mission was required when developing environmental guidelines for a small-scale water project, and development and approval of the documents took longer than expected. The activity manager assigned to this project did not have water infrastructure expertise, which may have been a contributing factor.

Recently, two USAID staff members with environmental expertise joined the mission. Both had formerly filled environmental roles at other USAID missions, and one has been formally appointed the deputy mission environmental officer for Kosovo. However, both have other high-priority mission responsibilities. One is the office director for the Economic Growth Office, while the other is the senior energy advisor on a large and complex project. Therefore, although the increase in staff with environmental experience should improve the situation at USAID/Kosovo, the audit team has concerns that the mission will continue to experience project delays and increased risk of adversely impacting the environment owing to lack of environmental resources and expertise.

The issues discussed in this finding might have been prevented or ameliorated at an earlier stage if a regional environmental advisor was consistently available to USAID/Kosovo activity managers and implementing partners, as recommended by Agency guidance and best practice. To address these issues, this audit makes the following recommendation:

Recommendation 6: We recommend that USAID/Kosovo formally request that the Europe and Eurasia Bureau establish a full-time, regionally based regional environmental advisor to reduce the risk of project delays and environmental impacts in Kosovo.

USAID/Kosovo Should Formalize the Environmental Working Group

Summary: It is USAID's policy to assist host countries to strengthen their capabilities to appreciate and effectively evaluate the potential environmental effects of proposed development strategies and projects. Although USAID/Kosovo has established an Environmental Working Group, the Environmental Working Group has not been used as effectively as it could be to share best practices and build host country capacity. The Environmental Working Group has not been formalized, and without formalized processes and internal controls, USAID/Kosovo cannot be certain that intended results are being achieved.

According to 22 CFR 216.1.b.2, it is USAID policy to assist host countries to strengthen their capabilities to appreciate and effectively evaluate the potential environmental effects of proposed development strategies and projects. Although USAID/Kosovo does not fund programs with the specific objective of improving environmental awareness and capacity, an Environmental Working Group has been informally established at USAID/Kosovo to address environmental issues related to mission activities.

As explained by mission staff, the principal responsibility of the Environmental Working Group is to review activity-level environmental documents submitted by implementing partners for parts of projects that have the potential to impact the environment. Before being approved by the mission environmental officer and activity manager, the environmental documents are submitted to the Environmental Working Group for review and comment. The mission environmental officer and activity manager do not always have backgrounds in the technical area of the project under review, and may not be able to identify potential environmental concerns or mistakes made by implementing partners in the development of the documents. Involving the Environmental Working Group in the review process enables group members to share their relevant experience and expertise in an effort to compensate for knowledge gaps.

The Environmental Working Group has increased some members' awareness of environmental issues and has resulted in revisions to Environmental Review documents; however, the audit found that the Environmental Working Group is not achieving maximum benefit for sharing best practices and building host country capacity, and has sometimes been inappropriately relied upon to evaluate and approve Environmental Review documents from implementing partners. The audit uncovered the following areas of concern regarding the effectiveness of the Environmental Working Group:

- Processes for submitting, reviewing, and tracking documents are informal and undefined.
- Environmental Working Group membership is limited to mission staff and select representatives from implementing partners, and does not include key individuals from the host country.
- There are no controls to ensure that Environmental Working Group members are actually reviewing documents, and there are no requirements for members to comment. Based on e-mail correspondence from the working group and

interviews with mission staff and implementing partners, not enough time is allocated to allow for critical review, and comments on the review documents are submitted sporadically or not at all.

- According to interviews with mission staff and implementing partners, there is a significant difference in quantity and quality of the comments provided by the Environmental Working Group and those provided by the acting bureau environmental officer. In several instances, the acting bureau environmental officer required significant changes to the activity-level environmental document after it had gone through the Environmental Working Group review process, had received few or no comments, and was approved at the mission level.
- In some cases, the environmental documents under review are for activities in sectors with heightened potential to cause environmental impact, such as water, energy, and infrastructure. Though some Environmental Working Group members have experience implementing USAID's programs, not all members have an environmental background or environmental compliance training, and outside specialists are not involved in the Environmental Working Group or review process.
- The Environmental Working Group is conducted through e-mail correspondence. The virtual structure is not conducive to continual dialogue or the discussion of broader issues and lessons learned. Discussion topics are limited to the document under review, and dialogue is initiated only by the submission of a new activity-level environmental document.

USAID/Kosovo has incorporated some innovative environmental aspects into several program designs. For example, a pilot green school was included as part of the school expansion project and a recycling program was included as part of the private enterprise project. However, there is no mechanism to systematically consider ways to incorporate environmental compliance into project design strategically or innovatively. The Environmental Working Group could be used as a forum to consider ways to develop linkages between environmental protection and development goals for mission programs. The idea for the pilot green school was developed over the course of discussions between the activity manager and the implementing partner during the project design phase. The Environmental Working Group could be leveraged in the same manner to consider similar design considerations for all mission programs, such as establishing baseline levels of existing pesticide use in test crops and monitoring use during implementation to show that USAID involvement may have actually lessened pesticide use for the private enterprise project.

Mission staff established the Environmental Working Group based on a suggestion made by the bureau environmental officer, and did not see the need to formalize the Environmental Working Group since it is a best practice and not a USAID requirement. However, the above concerns stem from the fact that the Environmental Working Group is not formalized; there are no defined processes, responsibilities or requirements, internal controls, or membership criteria. As a result, the Environmental Working Group is not being used effectively as a mechanism for reviewing activity-level environmental documents, sharing best practices, or building host country capacity.

To address these issues, this audit makes the following recommendations:

Recommendation 7: We recommend that USAID/Kosovo formalize the Environmental Working Group to identify its objective as a mechanism to share best practices and build host country capacity, and to define processes, responsibilities, internal controls, meeting frequency, and membership.

Recommendation 8: We recommend that the USAID/Kosovo Environmental Working Group develop a list of and extend membership to appropriate Kosovo academia, Kosovo Government representatives, and members of local institutions to build host country environmental capacity.

EVALUATION OF MANAGEMENT COMMENTS

In response to this report, USAID/Kosovo agreed with all eight recommendations. Based on management comments, a management decision has been reached for each of the recommendations. Final action has been taken on one recommendation, and determination of final action for the remaining seven recommendations is pending. In addition to the written comments we received from management as shown in appendix II, USAID/Kosovo provided comments and suggestions on the narrative of the report that have been considered and incorporated, as appropriate, in the final audit report. An evaluation of management comments for each recommendation is discussed below.

USAID/Kosovo suggested that recommendations 2, 3, and 5 should apply only to Initial Environmental Examinations that are either Threshold Decision or Negative Determination with Conditions or Positive Determination (recommendations 1 and 4 already contained this wording). The audit team concurs, and the final audit report has been modified to include this specification.

- USAID/Kosovo agreed with recommendation 1. To address the recommendation, the mission has already begun to require that activity managers for new procurements provide the agreement or contracting officer with the specific requirements from the Initial Environmental Examination to be included in solicitation documents, and include environmental compliance expertise in the evaluation criteria for selecting implementing partners
- USAID/Kosovo agreed with recommendation 2. To address this recommendation, the mission has already begun requiring implementing partners for new procurements to respond to environmental assessment requirements in their proposal, detailing the staff and budget necessary to address environmental assessment and monitoring concerns associated with the project.
- In response to recommendation 3, USAID/Kosovo has begun to require activity managers to include environmental assessment monitoring requirements in new agreements and contracts signed by implementing partners. The mission will also review existing grants and contracts to determine if they need to be amended and will work with their agreements and contracting officers to make necessary amendments by April 2010.
- In response to recommendation 4, the mission will begin including a clause in all new contracts and assistance agreements to require language in annual work plans stating how the partners will address environmental baseline data requirements.
- In response to recommendation 5, USAID/Kosovo will begin requiring implementing partners to provide activity managers with Environmental Mitigation and Monitoring Plans as part of their annual work plans.

In response to recommendations 1 through 5, the mission will institutionalize these requirements in two Mission Orders that the mission expects to finalize by the end of March 2010. Based on the mission's response, management decisions have been reached for recommendations 1 through 5 and determination of final actions will be made by the Audit, Performance and Compliance Division upon completion of the action.

- USAID/Kosovo fully agrees with and supports recommendation 6, and submitted an action memorandum for the acting Assistant Administrator for the Europe and Eurasia Bureau to establish a full-time, regionally based environmental advisor to assist the mission with implementation of projects with potential for significant environmental impact. Based on the mission's response, final action has been reached, and this recommendation is closed.
- In response to recommendation 7, USAID Kosovo agrees that the Environmental Working Group should be formalized to define processes, responsibilities, internal controls, meeting frequency, and membership. The Environmental Working Group will be formalized by a Mission Order that the mission expects to finalize by the end of March 2010. Based on the mission's response, a management decision has been reached, and determination of final action will be made by the Audit, Performance and Compliance Division upon completion of the action.
- USAID/Kosovo agreed with recommendation 8 and in response will develop a list and extend membership to appropriate host country academia, government representatives, and members of local institutions by the end of February 2010. The expanded membership will be formalized in a Mission Order that the mission expects to finalize by the end of March 2010. Based on the mission's response, a management decision has been reached, and determination of final action will be made by the Audit, Performance and Compliance Division upon completion of the action.

SCOPE AND METHODOLOGY

Scope

USAID/Washington conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions, based on our audit objective.

The objective of this audit was to determine if USAID/Kosovo is achieving its goals and objectives to mitigate environmental concerns throughout the project life cycle. Audit fieldwork was conducted at USAID/Kosovo from September 8 to September 25, 2009, and at USAID/Washington through November 20, 2009. The audit covered the period from October 1, 2007, to September 30, 2009; however, we considered it appropriate to incorporate information pertaining to original contracts and original environmental documentation for some projects that began prior to the period under audit.

In planning and performing the audit, we assessed USAID/Kosovo's controls regarding its efforts to mitigate environmental impact. Specifically, we obtained an understanding of and evaluated (1) environmental documentation, including Initial Environmental Examinations and Environmental Review and Assessment Checklists; (2) contract and agreement documents; (3) program documents, such as work plans, quarterly reports, and monitoring plans; (4) best management practices; and (5) the monitoring of and interaction with implementing partners by contracting officer's technical representatives/agreement officer's technical representatives (activity managers). We interviewed key USAID/Washington and USAID/Kosovo environmental staff, USAID/Kosovo personnel, and implementing partners. We completed fieldwork at USAID/Kosovo in Pristina and visited several project sites in surrounding areas.

The audit team reviewed nine projects to answer the audit objective. The total amount awarded and obligated for the projects reviewed is approximately \$71 million and \$54 million, respectively, as of September 30, 2009 (see appendix III).

Methodology

To answer our audit objective, we met with key USAID environmental personnel at USAID/Kosovo and USAID/Washington, USAID/Kosovo mission staff, and implementing partners. We reviewed relevant documentation provided by USAID/Kosovo and implementing partners, such as contract and agreement documents, environmental documentation, work and monitoring plans, and program quarterly reports. We also reviewed applicable laws, best practices, and guidelines pertaining to USAID/Kosovo's environmental regulations, specifically Code of Federal Regulations (22 CFR 216, "Environmental Procedures") and Automated Directives System 204. We attended USAID-sponsored training to gain additional understanding of environmental policies, procedures, and best practices specific to USAID programs.

To assess USAID/Kosovo's efforts to mitigate environmental impact, we reviewed relevant documentation provided by the mission and implementing partners. While in Washington, we reviewed project-specific environmental documentation and evaluated contract and agreement documents for corresponding environmental compliance language. We compared these documents with work and monitoring plans, quarterly reports, and other project documents. At the mission, we conducted interviews with key USAID/Kosovo environmental staff, activity managers, and implementing partners. We then evaluated testimonial evidence in conjunction with best practices, relevant environment and project documents, USAID environmental regulations, and site visit observations.

We assessed implementing partners' monitoring practices on environmental impact by interviewing officials of these organizations and reviewing work plans, quarterly reports, and other project documents. We also determined the level of monitoring provided by activity managers and USAID environmental staff over implementing partners through interviews and by reviewing relevant documentation, including available site visit reports.

We concluded that the absence of significant environmental impact is strong evidence that USAID/Kosovo is achieving its goals and objectives to mitigate environmental impact. No significant impact was verified through interviews with mission personnel, Agency environmental staff, and implementing partners, or by reviewing relevant documentation prepared by the mission and implementing partners. We conducted site visits for further confirmation that USAID/Kosovo's activities have not had significant impact on the environment.

As of September 30, 2009, there were 38 active projects at USAID/Kosovo with a total amount awarded and obligated of approximately \$192 million and \$154 million, respectively. The nine projects included in this audit were selected judgmentally, and results of the sample tested cannot be projected to the population. These nine projects represent the mission's diverse project portfolio and capture consideration of environmental concerns in a variety of program areas, including water, education, private enterprise, energy, and community development. We wanted to be sure that our selection represented a variety of threshold decisions, including Categorical Exclusions, Deferrals, Negative Determination with Conditions, and Positive Determinations. It was also important to review projects at varying stages of implementation to observe mission environmental procedures from project design to closeout. Additional selection criteria included likelihood of causing significant environmental impact and environmental mitigation and monitoring requirements.

MANAGEMENT COMMENTS



MEMORANDUM

TO: IG/A/PA, Director, Steven H. Bernstein

FROM: USAID/Kosovo Acting Mission Director, Susan Fritz /s/

DATE: February 12, 2010

SUBJECT: Audit of USAID/Kosovo's Efforts to Mitigate Environmental Impact in Its Project Portfolio (Report No. 9-00-10-00X-P)

Thank you for the opportunity to provide USAID/Kosovo's written comments to the subject report. We are pleased with the auditor team's conclusion that "USAID/Kosovo is achieving its goals and objectives related to mitigating environmental impacts," and that the audit team did not find any significant adverse impacts as a direct result of USAID activities. Below we provide USAID/Kosovo's position on each recommendation, followed by comments and suggestions on the narrative of the report.

USAID/Kosovo Position on Each Recommendation

Recommendation 1: For activities with Threshold Decisions of Negative Determination with Conditions and Positive Determination, we recommend that USAID/Kosovo establish and implement procedures to require activity managers to provide the agreement officer or contracting officer the specific environmental assessment requirements from the Initial Environmental Examination to be included in the solicitation documents, and include environmental compliance expertise in the evaluation criteria for selecting implementing partners.

USAID/Kosovo Response: USAID/Kosovo accepts and agrees with this recommendation. We have already begun to require this for all new procurements in which the Initial Environmental Examination is Threshold Decision of Negative Determination with Conditions or Positive Determination. We will institutionalize these requirements in two Mission Orders that are being

drafted, one on Environmental Procedures, and the other on Activity Approval Processes. We expect these to be finalized by the end of March 2010.

Recommendation 2: We recommend USAID/Kosovo establish and implement procedures to require implementing partners to respond to environmental assessment requirements in their proposal, detailing staff and budget necessary to address environmental assessment and monitoring concerns associated with the project.

USAID/Kosovo Response: USAID/Kosovo accepts and agrees with this recommendation, except that we suggest limiting this requirement only to those new procurements in which the Initial Environmental Examination is Threshold Decision of Negative Determination with Conditions or Positive Determination. We have already begun to require this for all new procurements in which the Initial Environmental Examination is Threshold Decision of Negative Determination with Conditions or Positive Determination. We will institutionalize these requirements in two Mission Orders that are being drafted, one on Environmental Procedures, and the other on Activity Approval Processes. We expect these to be finalized by the end of March 2010.

Recommendation 3: We recommend USAID/Kosovo establish and implement procedures to require activity managers to include environmental assessment and monitoring requirements in agreements and contracts signed by implementing partners.

USAID/Kosovo Response: USAID/Kosovo accepts and agrees with this recommendation, except that we suggest limiting this requirement only to those agreements and contracts for which the Initial Environmental Examination is Threshold Decision of Negative Determination with Conditions or Positive Determination. We have already begun to require this for all new procurements in which the Initial Environmental Examination is Threshold Decision of Negative Determination with Conditions or Positive Determination. We will review existing grants and contracts that have Initial Environmental Examinations that are Threshold Decisions of Negative Determination with Conditions or Positive Determination to determine if they need to be amended to include environmental assessment and monitoring requirements, and will work with our agreements and contracting officers to make the necessary amendments by April 2010. We will institutionalize these requirements in two Mission Orders that are being drafted, one on Environmental Procedures, and the other on Activity Approval Processes. We expect these to be finalized by the end of March 2010.

Recommendation 4: For activities with Threshold Decisions of Negative Determination with Conditions and Positive Determination, we recommend that USAID/Kosovo include a clause in its contracts and assistance agreements to require distinct language in the implementing partners' annual work plans stating how the partner will address environmental baseline data requirements as outlined in the Initial Environmental Examination and/or as required for the Environmental Review Documents.

USAID/Kosovo Response: USAID/Kosovo accepts and agrees with this recommendation. We will immediately begin to include this in all new grants and contracts in which the Initial Environmental Examination is Threshold Decision of Negative Determination with Conditions or Positive Determination. We will institutionalize these requirements in two Mission Orders that are being drafted,

one on Environmental Procedures, and the other on Activity Approval Processes. We expect these to be finalized by the end of March 2010.

Recommendation 5: We recommend USAID/Kosovo establish procedures to require implementing partners to provide activity managers with Environmental Mitigation and Monitoring Plans as part of their annual work plans.

USAID/Kosovo Response: USAID/Kosovo accepts and agrees with this recommendation, except that we suggest limiting this requirement only to work plans for those grants and contracts for which the Initial Environmental Examination is Threshold Decision of Negative Determination with Conditions or Positive Determination. We will immediately begin to require this for all new grants and contracts in which the Initial Environmental Examination is Threshold Decision of Negative Determination with Conditions or Positive Determination. We will institutionalize these requirements in two Mission Orders that are being drafted, one on Environmental Procedures, and the other on Activity Approval Processes. We expect these to be finalized by the end of March 2010.

Recommendation 6: We recommend that USAID/Kosovo formally request that the Europe and Eurasia Bureau establish a full-time, regionally based regional environmental advisor to reduce the risk of project delays and environmental impacts in Kosovo.

USAID/Kosovo Response: USAID/Kosovo full agrees and supports this recommendation. An Action Memorandum making this request was sent to Roberta Mahoney, Acting Assistant Administrator for Europe and Eurasia on February 10, 2010. A copy of that Action Memorandum is attached. Therefore, we consider this recommendation to be closed.

Recommendation 7: We recommend that USAID/Kosovo formalize the Environmental Working Group to identify its objective as a mechanism to share best practices and build host country capacity, and to define processes, responsibilities, internal controls, meeting frequency, and membership.

USAID/Kosovo Response: We are pleased that the auditors recognized USAID/Kosovo's Environmental Working Group as a best practice. We will formalize the Environmental Working Group in a Mission Order that is being drafted on Environmental Procedures, which we expect to be finalized by the end of March 2010.

Recommendation 8: We recommend that the USAID/Kosovo Environmental Working Group develop a list and extend membership to appropriate Kosovo academia, Kosovo Government representatives, and members of local institutions to build host country environmental capacity.

USAID/Kosovo Response: We are pleased that the auditors recognized USAID/Kosovo's Environmental Working Group as a best practice. We will develop a list and extend membership to appropriate Kosovo academia, Kosovo Government representatives and members of local institutions by the end of February 2010. Moreover, we will formalize the expanded membership of the Environmental Working Group in a Mission Order that is being drafted on

Environmental Procedures, which we expect to be finalized by the end of March 2010.

Funding Levels for Projects Reviewed

Activity Name	Awarded Amount* (as of 9/30/09)	Obligated Amount* (as of 9/30/09)
Kosovo Private Enterprise Project	\$17,837,249	\$9,915,000
Kosovo Energy Corporation Network and Supply Project	12,749,382	12,749,382
Small Infrastructure for Education in Kosovo	5,000,000	5,000,000
Small infrastructure for Water and Sanitation in Kosovo	5,000,000	5,000,000
RAE Economic, Social, Transition, Advocacy and Resettlement Reintegration (RESTART)	2,400,000	1,700,000
Kosovo Maternal and Child Health Program	2,909,697	1,300,000
Initiating Positive Change	10,000,000	6,552,166
Kosovo Water Institutional Sector Reform (K-WISER)	7,313,677	4,500,000
Municipal Integration and Support Initiative	7,848,633	7,848,633
Total	\$71,058,638	\$54,565,181

* Funding amounts were not audited.

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