US United States Agency for International Development (USAID)
USAID Armenia

Request for Categorical Exclusion (RCE)

Program/Project/Activity Data

<table>
<thead>
<tr>
<th>Activity/Project Name:</th>
<th>Local Works</th>
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</thead>
<tbody>
<tr>
<td>Assistance Objective:</td>
<td>More Participatory, Effective, and Accountable Governance</td>
</tr>
<tr>
<td>Program Area:</td>
<td>Civil Society</td>
</tr>
<tr>
<td>Country(ies) and/or Operating Unit:</td>
<td>Armenia/E&amp;E</td>
</tr>
<tr>
<td>Originating Office:</td>
<td>Sustainable Development Office (SDO)</td>
</tr>
<tr>
<td></td>
<td>DCN of Original RCE/IEE: DCN: 2014-ARM-001</td>
</tr>
<tr>
<td>PAD Level IEE:</td>
<td>Yes ☒ No ☐</td>
</tr>
<tr>
<td>Supplemental IEE:</td>
<td>Yes ☐ No ☒</td>
</tr>
<tr>
<td>RCE/IEE Amendment:</td>
<td>Yes ☒ No ☐</td>
</tr>
<tr>
<td>If Yes, Purpose of Amendment (AMD):</td>
<td>Adding new Local Works activity to the PAD and adding money</td>
</tr>
<tr>
<td>DCN(s) of All Related EA/IEE/RCE/ER(s):</td>
<td></td>
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<tr>
<td>Implementation Start/End:</td>
<td>December 2018-September 2022</td>
</tr>
<tr>
<td>Funding Amount:</td>
<td>AMD: $800,000</td>
</tr>
<tr>
<td>Contract/Award Number (if known):</td>
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</table>

Recommended Determination: Categorical Exclusion

Additional Elements:

Government to Government: ☐ Local Procurement: ☒ Donor Co-Funded: ☐

1. Background and Project Description

1.1. Purpose and Scope of RCE

The purpose of this amendment to PAD level RCE is to analyze potential environmental impacts and to recommend environmental determination for the Local Works Activity. This amendment increases the total budget of the PAD by $800,000. The added activity will entail research activities, including desk study, rapid assessments, interviews and meetings with other donors, ministries and in the communities.

1.2 Project Overview
The Local Works aims to foster locally led and owned development by creating fertile soil for consolidated communities, to be empowered and take a center-stage role in determining the most sustainable and locally-owned ways of developing into politically and economically stronger units. Despite the local communities being the bearers of this reform, the development interventions have been largely driven by the central government and donors, leaving the local communities in a passive recipient role. So limited opportunities for local communities to lead and direct this investment pose an inherent challenge in terms of fostering locally-owned development that will ultimately lead to self-reliance.

Local Works provides an excellent framework that will enable a shift of power and responsibility and devolve control to the constituents of the reform process. It will enable local actors to have a stronger voice in making current donor investments more relevant to their vision of development and progress along the road to self-reliance.

**Mapping of the 52 consolidated communities:** a desk study will be conducted to assess the status of 52 consolidated communities on two dimensions: 1) Donor funding and Human Capacity; and 2) Economic Opportunity Index. The latter will include community’s progress in the consolidation process (3 stages of consolidation), donor & government funding levels: subsidies / subventions (targeted grants) to municipal budgets received directly from the government of Armenia; level of private sector investment; level of cost-share for donor funding; other income generated: fees collected for services, taxes, etc; geographic diversity, including Marz / municipality; number of settlements; spread of settlements: max, min and average distance from the community center, distance from former regional center and Marz center; border, elevation, mountainous); presence of USAID projects; population data (total population and % women, men, youth, girls, boys). This will help understand where the communities are in terms of their development and inform the mission’s decision on reducing the number of communities from 52 to approximately 10 communities.

**Meetings with stakeholders to communicate the results of the desk study:** USAID will hold stakeholder meetings with the Ministry of Territorial Administration, GIZ, SDC, UN, EU, Peace Corps, the private sector and local organizations in Yerevan to agree upon the 10 consolidated communities.

**Rapid assessments/listening tour in the approximately 10 communities:** to assess the communities’ willingness to become part of Local Works, gauging the local government’s openness and responsiveness as well as the level of citizen participation in the communities through survey and focus group discussions. The rapid listening tours and stakeholder meetings will enable USAID to reduce from 10 to 3-5 communities.

**Community Selection:** based on the scores of the communities as a result of the Rapid assessments, USAID will make decision which communities to select as pilots and launch the listening tours.

**Listening Tours:** USAID/Armenia will launch listening tours in the pilot consolidated communities for them to identify their development priorities. The asset mapping exercise will help launch locally-led discussions on the communities’ inventory (asset mapping), development trends, challenges and opportunities, and broader vision for the communities’ way forward. This will help the communities grow into organic systems that can envision, own, and lead community development processes, and draw in the support they need through assets and networks that they cultivate, both internally and externally, ultimately enhancing their resilience and reducing dependence on the central government.

2.2 Climate Change Vulnerability Analysis and Climate Risk Screening
### Activities | Potential Climate Risk | Climate Risk Rating*
---|---|---
Local Works
1. Desk study of 52 consolidated communities | N/A | Low
2. Meetings with stakeholders to communicate the results of the desk study | N/A | Low
3. Rapid assessment/quick listening in 10 consolidated communities | N/A | Low
4. Listening tours and community mapping in selected target communities | N/A | Low

*See Annex 1 of this RCE for further details of the climate risk screening for the activity. All activities will include existing literature review, consultations, surveys, focus group discussions, town-hall meetings, discussions with participation community inhabitants. The climate risk analysis was done using Climate Risk Screening and Management Tool.

2. **Justification for Categorical Exclusion Determination**
   The activities under Local Works will not have an effect on the natural or physical environment and are among the classes of activities listed in 22 CFR 216.2(c)(2), namely 22 CFR 216.2(c)(2)(iii), Analyses, studies, academic or research workshops and meetings. Therefore, under §216.2(c)(1), neither an IEE nor an EA will be required for these activities.

3. **Limitations of the Categorical Exclusion Determination:**
   This categorical exclusion does not cover classes of actions normally having a significant effect on the environment under §216.2(d):
   - i. Programs of river basin development;
   - ii. Irrigation and water management;
   - iii. Agricultural land leveling;
   - iv. Drainage projects;
   - v. Large scale agricultural mechanization;
   - vi. Resettlement projects;
   - vii. New land development;
   - viii. Penetration road building and road improvement;
   - ix. Powerplants;
   - x. Industrial plants; and
   - xi. Potable water and sewerage projects

   In addition, this categorical exclusion does not cover activities that:
   - Support project preparation, project feasibility studies, engineering design for activities listed in §216.2(d)(1);
   - Affect endangered species;
   - Provide support to extractive industries (e.g. mining and quarrying);
   - Promote timber harvesting;
   - Lead to construction, reconstruction, rehabilitation, or renovation work;
   - Support agro-processing or industrial enterprises;
   - Provide support for regulatory permitting;
   - Lead to privatization of industrial facilities or infrastructure with heavily polluted property;
   - Assist the procurement (including payment in kind, donations, guarantees of credit) or use (including handling, transport, fuel for transport, storage, mixing, loading,
application, clean-up of spray equipment, and disposal) of pesticides or activities involving procurement, transport, use, storage, or disposal of toxic materials—pesticides cover all insecticides, fungicides, rodenticides, etc. covered under the Federal Insecticide, Fungicide, and Rodenticide Act; and/or

- Procure or use genetically modified organisms.

Any of these actions would require a Europe and Eurasia Bureau Environmental Officer (BEO) approved amendment to the categorical exclusion.

4. **Mandatory Inclusion of Environmental Compliance Requirements in Solicitations, Awards, Budgets, and Work Plans**

   - Appropriate environmental compliance language, including limitations defined in Section 4, shall be incorporated into solicitations and awards for categorical exclusions.
   - The implementing partner shall ensure annual work plans do not prescribe activities that are defined as limitations in Section 4.

5. **Revisions**

   Under §216.3(a)(9), if new information becomes available that indicates that activities covered by the categorical exclusion might be considered major and their effect significant, or if additional activities are proposed that might be considered major and their effect significant, this categorical exclusion determination will be reviewed and, if necessary, revised by the Mission Environmental Officer (MEO) with concurrence by the BEO. It is the responsibility of the USAID Contract Officer’s Representative (COR)/Agreement Officer’s Representative (AOR) to keep the MEO and BEO informed of any new information or changes in the activity that might require revision of this determination.
7. Recommended Determination for Categorical Exclusion

**Approval:**

Deborah Grieser, Mission Director  
Date: 12/14/2018

**Clearance:**

Marina Vardanyan, Mission Environmental Officer  
Date: 12/14/2018

**Clearance:**

Lusine Hakobyan, AOR/COR  
Date: 12/14/2018

**Concurrence:**

Mark Kamiya, Bureau Environmental Officer  
Date: 12/18/2018

**Distribution:**

IEE/RCE File  
MEO (to also provide a copy to AOR/COR)

Attachments: Annex 1: Climate Risk Screening and Management Tool for Activity/Project/Strategy Design
### Annex 1

<table>
<thead>
<tr>
<th>1.1: Defined or Anticipated DOs, IRs, or sectors: civil society</th>
<th>1.2: Timeframe*</th>
<th>1.3: Geography</th>
<th>2: Climate Risks*</th>
<th>3: Adaptive Capacity*</th>
<th>4: Climate Risk Rating of DO or IR* [Enter rating for each DO or IR* High, Moderate, or Low]</th>
<th>5: Opportunities</th>
<th>6.1: Climate Risk Management Options</th>
<th>6.2: How Climate Risks Are Addressed in the Strategy*</th>
<th>7: Next Steps for Project and/or Activity Design*</th>
<th>8: Accepted Climate Risks*</th>
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<tbody>
<tr>
<td>Activity 1</td>
<td>January, 2019 – March, 2019</td>
<td>52 consolidated communities</td>
<td>N/A</td>
<td>N/A</td>
<td>Low</td>
<td>N/A</td>
<td>N/A</td>
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<td>Activity 2</td>
<td>March, 2019 – May 2019</td>
<td>Yerevan</td>
<td>N/A</td>
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<tr>
<td>Activity 3</td>
<td>May, 2019 – July, 2019</td>
<td>10 consolidated communities</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Activity 4</td>
<td>August 2019 - January 2020</td>
<td>3-5 pilot communities</td>
<td>N/A</td>
<td>N/A</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
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</tbody>
</table>

| Activity 1 | | | | | | | | | | |
| | | | | | | | | | | Schedule works in a way to avoid severe weather events |
| Activity 2 | | | | | | | | | | N/A |
| Activity 3 | | | | | | | | | | N/A |
| Activity 4 | | | | | | | | | | N/A | Schedule works in a way to avoid severe weather events |

| Activity 1 | | | | | | | | | | N/A | N/A | N/A |
| Activity 2 | | | | | | | | | | N/A | N/A | N/A |
| Activity 3 | | | | | | | | | | N/A | N/A | N/A |
| Activity 4 | | | | | | | | | | N/A | N/A | N/A |