**REQUEST FOR CATEGORICAL EXCLUSION (RCE)**
Amendment #1 to Asia 18-021

### PROJECT/ACTIVITY DATA

<table>
<thead>
<tr>
<th><strong>Project/Activity Name:</strong></th>
<th>Supporting a Prosperous ASEAN (SPA) Project/ASEAN Policy Implementation (API)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geographic Location(s):</strong></td>
<td>ASEAN Member States (the Associate of Southeast Asian Nations comprises the 10 member states of Brunei, Burma [Myanmar], Cambodia, Indonesia, Laos, the Philippines, Malaysia, Thailand, Singapore, Vietnam) Note: USAID has missions in seven of these 10 countries.</td>
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<tr>
<td><strong>Amendment:</strong></td>
<td>Yes, Amendment #1</td>
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<tr>
<td><strong>Implementation Start/End Dates:</strong></td>
<td>January 1, 2018 - September 30, 2023</td>
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<tr>
<td><strong>If Amended, specify New End Date:</strong></td>
<td>API Activity will be conducted on FY 2020-2026 Phase 1 (via PFM II IDIQ): 2020-2023 Phase 2 (mechanism TBD): 2021-2026</td>
</tr>
</tbody>
</table>

### IEE Expiration Date:

September 30, 2026

### Tracking ID of Related RCE/IEE:

Asia 18-021 ASEAN SPA Project


### Tracking ID of Other, Related Analyses:

Asia 12-204 ASEAN Partnership Project


### Organizational/Administrative Data

**Implementing Operating Unit(s):** USAID/ASEAN

**Other Affected Operating Unit(s):** USAID missions in six other countries under ASEAN Member States

**Lead BEO Bureau:** Asia Bureau

**Original Funding Amount:** $21,686,301

**If Amended, specify funding amount:** Funding amount for API Activity: $22,000,000 (TBD)

**If Amended, specify new funding total:** $43,686,301

**Prepared by:** Cara Stern, USAID/ASEAN

**Date Prepared:** July 18, 2019

### Environmental Compliance Review Data

**Analysis Type:**
- Initial Environmental Examination
- Request for Categorical Exclusion

**Environmental Determination(s):**
- Categorical Exclusion(s)
- Negative Determination with Condition(s)
- Positive Determination(s)
- Deferred (per 22CFR216.3(a)(7)(iv)

**Climate Risks Identified (#):**
- Low __
- Moderate __
- High __

**Climate Risks Addressed (#):**
- Low __
- Moderate __
- High ___
USAID APPROVAL OF ENVIRONMENTAL ACTION RECOMMENDED

CLEARANCE:

ASEAN: cleared Date: 7/22/2019
William Trigg
USAID/ASEAN Acting Director

MEO/CIL: cleared Date: 7/22/2019
Putu Kurniawan
USAID/Indonesia – Mission Environmental Officer/Climate Integration Lead

REA: cleared by email Date: 8/20/2019
Andrei Barannik
Acting Regional Environmental Advisor for South East Asia and Pacific Islands
REA/SCA & OAPA

RLO: cleared by email Date: 8/22/2019
Maram Talaat
Acting Resident Legal Officer

DDIR:
Ryan Washburn
USAID/Indonesia – Deputy Mission Director

DECISION OF USAID/INDONESIA MISSION DIRECTOR:

APPROVAL:

DIR: Erin McKee
USAID/Indonesia – Mission Director
DECISION OF THE ASIA BUREAU ENVIRONMENTAL OFFICER:

CONCURRENCE:

BEO/Asia: ______________________ Date: 4 September 2019
William Gibson
Asia Bureau Environmental Officer

Distribution:
- Project file
- MEO tracking
- OAA
- RLO
REQUEST FOR CATEGORICAL EXCLUSION (RCE)
Amendment #1 to Asia 18-021

1. Purpose and Scope

The purpose of this document is to analyze and establish that all proposed projects/activities belong to classes of actions eligible for Categorical Exclusions as set out in Agency regulations (22 CFR 216.2(c)) and that there are no foreseeable potentially significant adverse environmental direct or indirect impacts that would preclude them from receiving a Categorical Exclusion. Upon approval of this document by BEO/Asia, Categorical Exclusion Threshold Decision is affirmed for the project/activity. This analysis also documents the results of the project/activity level Climate Risk Management process in accordance with USAID policy (specifically, ADS 201 mandatory reference 201mal). This RCE is a critical element of a mandatory environmental review and compliance process meant to achieve environmentally sound activity design and implementation.

The purpose of this amendment is to timely and duly:

(i) incorporate ASEAN Policy Implementation (API) Activity under the scope of the original RCE;
(ii) extend the RCE completion date from September 30, 2023 to September 30, 2026;
(iii) increase the total Life of Program (LOP) funding of this RCE from $21,686,301 to $43,686,301;
(iv) add new limitations for API Activity; and
(v) incorporate CRM assessment for API Activity.

The scope and nature of all other activities as approved in the original RCE (Asia 18-021) remains the same.

2. Background and Description of ASEAN Policy Implementation (API) Activity

Previously, the SPA Project encompasses six mechanisms, as follows:

- ASEAN Connectivity for Trade and Investment (ACTI) – previously covered by Asia 12-204 for ASEAN Partnership Project (prepared by USAID/Regional Development Mission to Asia (RDMA)).
- ASEAN-U.S. Partnership for Good Governance, Equitable and Sustainable Development, and Security (PROGRESS) – previously covered by Asia 12-204.
- ASEAN Youth Volunteer Program (AYVP) – previously covered by Asia 12-204.
- ASEAN Science and Technology Fellowship Program (ASEAN S&T Fellowship) – previously covered by Asia 12-204.
- Inclusive Growth in ASEAN through Innovation, Trade, and E-Commerce (IGNITE).
- ASEAN-U.S. Partnership for Regional Optimization within the Political-Security and Socio-Cultural Communities (PROSPECT).

In FY 2019, USAID/Indonesia incorporates the ASEAN Policy Implementation (API) mechanism under the scope of the SPA Project.
Background

The Association of Southeast Asian Nations (ASEAN) is Southeast Asia's primary multilateral institution for regional cooperation. Founded on the vision of a rules-based order, ASEAN provides a platform for economic cooperation, the peaceful arbitration of disputes, and the promotion of the rule of law to ensure a free and open Southeast Asia. ASEAN priorities closely align with the goals of the U.S. Indo-Pacific Strategy (IPS) in enhancing shared prosperity, championing good governance, and ensuring a peaceful and secure regional order.

Through the ASEAN-USAID Inclusive Growth in ASEAN Through Innovation, Trade, and E-Commerce (IGNITE) and the ASEAN-USAID Partnership for Regional Optimization within the Political-Security and Socio-Cultural Communities (PROSPECT) programs, USAID works with ASEAN to address a wide range of issues, including trade facilitation; the digital economy; science, technology, and innovation; micro, small, and medium enterprise development; gender mainstreaming; non-traditional security threats; the rule of law; and rights and opportunities. The majority of these efforts take place at the institutional level, working with various ASEAN bodies to draft standards and guidelines in specific policy areas.

These policies play an important role in setting common high-level goals that stimulate and guide national reform efforts and encourage regional integration and cohesion. However, as ASEAN operates on consensus, it has no formal authority to enforce Member State compliance or support the implementation of policies at the national level. Furthermore, Member States often do not have the capacity or ability to fully implement and integrate ASEAN policies themselves, and there has been limited opportunity for USAID to help them do so.

Description

The ASEAN Policy Implementation (API), or previously known as the ASEAN Agreement Implementation Fund (AAIF), aims to strengthen alignment between USAID efforts at the ASEAN institutional level and the implementation of ASEAN policies at the Member State level. Supporting national-level implementation of these policies will help ensure ASEAN's unity, credibility, and centrality in reducing regional inequalities and vulnerabilities, enabling Member States to make clear development choices (in accordance with USAID's Clear Choice Framework) and maintaining the Indo-Pacific as a free and open space.

The activity will be guided by four overarching parameters: the IPS, the USAID/ASEAN Development Cooperation Framework (DCF), the ASEAN Community Vision 2025, and strategic alignment with USAID missions in the ASEAN region.

1 Comprising the countries of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), Singapore, the Philippines, Thailand, and Vietnam.
1) API will support the IPS and its affirmation that ASEAN is central to the U.S. vision for a free and open Indo-Pacific as an “indispensable and irreplaceable strategic partner.” The activity will further align with USAID’s three focus areas in advancing this vision: strengthening democratic systems, unlocking private enterprise-led economic growth, and improving natural resource management. Where opportunities arise, it will also contribute to the efforts of IPS and other initiatives such as the Indo-Pacific Transparency Initiative, Enhancing Growth and Development through Energy (EDGE), the Infrastructure Transaction and Assistance Network (ITAN), the Digital Connectivity and Cybersecurity Partnership (DCCP), and the Women’s Global Development and Prosperity Initiative (W-GDP), as well as legislation such as the 2018 Asia Reassurance Initiative Act (ARIA).

2) In addition, API follows the results framework established by the USAID/ASEAN DCF and will promote the journey to self-reliance in order to achieve the goal of ASEAN and its Member States contributing to sustainable and inclusive growth and encouraging rules-based systems to support a peaceful, secure, and prosperous Southeast Asia. This activity will contribute to all Development Objectives (DO) under the DCF, namely: 1) Regional and global challenges effectively addressed by ASEAN and its Member States; 2) ASEAN capacity to further regional economic integration and sustainable economic growth increased; 3) Rules-based architecture to uphold human dignity and the rule of law advanced by ASEAN and its Member States. Phase One of AAIF (described below) will focus on 2) ASEAN capacity to further regional economic integration and sustainable economic growth increased.

3) Furthermore, API will support ASEAN’s Community Vision 2025 to be “politically cohesive, economically integrated, and socially responsible.” This includes ASEAN’s aspirations to “remain cohesive, responsive and relevant in addressing challenges to regional peace and security” and to be a competitive, innovative, and dynamic community, with enhanced connectivity and cooperation and a resilient, inclusive, and integrated economy. While Phase One of API will focus on the implementation of policies under the ASEAN Economic Community, Phase Two will support implementation of policies across all three communities.

4) Lastly, in supporting the implementation of ASEAN policies at the Member State level, API strengthens alignment between USAID assistance at the ASEAN level and USAID assistance at the national level, providing an opportunity to aggregate and advance priorities of USAID regional and bilateral missions that intersect with ASEAN priorities. The activity builds on a coordination mechanism entitled the ASEAN Champions Meeting (ACM), which seeks to improve communication and coordination around USAID support to ASEAN and the contribution of this support to the IPS. The inaugural meeting of the ACM identified a lack of visibility of ASEAN activities within bilateral missions, a lack of linkages between ASEAN programming and bilateral programming, and a lack of a regional perspective on reporting USAID work on ASEAN-related priorities and objectives as key challenges to the ACM mandate.

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2 https://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-6th-u-s-asean-summit/
3 Launched in November 2018 by USAID/ASEAN, the mechanism gathers ASEAN “Champions” at each USAID mission in the ASEAN region (Deputy Mission Director or his/her delegate at each mission), along with colleagues from the Asia Bureau in Washington, DC, and a representative from the United States Pacific Command (PACOM).
The inaugural ACM meeting also identified three priority areas -- trade, competitiveness, and economic governance; energy and infrastructure; and illegal, undocumented, and unreported fishing and traceability -- as potential leverage points for increased collaboration and future incentive funding to achieve greater program impact. Further in-country consultations with USAID/Burma, USAID/Cambodia, USAID/Indonesia, USAID/Laos, USAID/Philippines, USAID/Vietnam, and the USAID Regional Development Mission for Asia (RDMA), during the period of April-June 2019, highlighted additional areas of existing intersection between interests and activities at the ASEAN and bilateral levels, as well as other areas of need, for consideration as foci of future collaboration at a regional level. These consultations help to inform the concept of this proposed activity.

Within these four parameters, API will be implemented in two phases:

1) **Phase One** will be procured via a task order under the Public Financial Management (PFM) IIDIQ, retaining one of the small business holders. Phase One will test the implementation of ASEAN policies at the Member State level in a narrow set of priority areas, with a focus on technical assistance in support of IPS objectives within the Economic Pillar; this includes advancing fair and reciprocal trade, promoting economic and commercial engagement that adheres to high standards and respects local sovereignty and autonomy, and mobilizing private sector investment.

Phase One activities will emphasize public financial management and other forms of economic policy and institutional reform/modernization. When governments have sound, effective, transparent, gender-aware, and accountable systems in place to manage public funds, there is a decrease in opportunities for corruption, inefficiencies, and mismanagement. Sound public financial management systems can facilitate good governance practices; access to useful, accurate public information for better decision-making; and systems that complement each other across governmental entities. Governments with sound public financial management systems, that include transparency, accountability, and internationally-recognized standards, tend to be more stable, more credible, and better able to achieve broad-based economic growth.

Phase One will also demonstrate proof of concept in the implementation of ASEAN policies at the Member State level and feed into the design of longer-term activities under Phase Two.

2) **Phase Two** will be procured through a to-be-determined mechanism. Phase Two will utilize lessons learned in Phase One, building on the proof of concept to support the implementation of ASEAN policies in a wider range of technical areas and with a more flexible implementation mechanism. Phase Two will include ongoing research and analytical capacity to inform evidence-based decision making in the identification and prioritization of technical areas and understanding of a dynamic operational context.
Overall, API will serve:

- As a rapid response instrument to take advantage of emerging opportunities, including new IPS initiatives, ASEAN requests, and political and economic developments.
- To enable the IGNITE and PROSPECT activities to remain focused on their current objectives, complementing existing efforts and responding to evolving expectations and work generated that are beyond the scope and bandwidth of these activities.
- As a close partner to IGNITE and PROSPECT, to build on their established relationships.
- As a resource for USAID missions in the ASEAN region, where policy dialogue at the ASEAN level can help further USAID’s bilateral and regional efforts.
- As a platform for assistance to other U.S. Government partners (Department of State, Office of the U.S. Trade Representative).

Objectives

API’s goal is for ASEAN and its Member States to contribute to sustainable and inclusive growth and encourage rules-based systems to support a peaceful, secure, and prosperous Southeast Asia. In contributing to this goal, API will pursue three main objectives:

1) Enable evidence-based decision making through ongoing analysis linking the IPS, ASEAN priorities, and USAID assistance at the regional and bilateral levels.
2) Support the implementation of targeted ASEAN standards, policies, and/or agreements at the Member State level.
3) Provide technical assistance in the further development of emerging ASEAN standards, policies, and/or agreements that align with the IPS and USAID bilateral and regional mission goals.

OBJECTIVE 1: Enable evidence-based decision making through ongoing analysis linking the IPS, ASEAN priorities, and USAID assistance at the regional and bilateral levels.

Objective 1 provides USAID with the research and analysis necessary to make evidence-based decisions in selecting the targeted areas for technical assistance in advancing the implementation of ASEAN policies at the Member State level.

1.1 (Phase One): Determine targeted areas for technical assistance during Phase One, with a focus on implementation of policies under the ASEAN Economic Community.

AAIF will expand beyond work currently performed by PROSPECT and IGNITE to conduct assessments, analyses, and/or other research to identify policies, frameworks, guidelines, work plans, and/or other policies and agreements that could benefit from technical assistance in moving from commitments at the ASEAN level to implementation at the national level.

For example, the ASEAN Economic Community (AEC) 2025 Consolidated Strategic Action Plan serves to map the key action lines to be implemented in pursuit of ASEAN economic integration from 2016 to 2025 (in operationalization of the AEC Blueprint 2025). Among its areas of intersection between the IPS, DCF, and ACM priorities include the following:
Activities under Objective 1.1 would examine these action items, and other sources, to determine (with USAID concurrence) which of these may be priority areas for potential intervention.

Activities under Objective 1.1 will also determine:

- The criteria for prioritizing the targeted policies, with an emphasis on quick-wins, alignment with the IPS and DCF, ASEAN-articulated needs, and ACM priorities.
- The criteria for selecting the targeted ASEAN Member States, which may either be countries that lag behind other Member States in implementation or Member States that can serve as examples to others.
- The specific technical intervention, which should be a tangible transaction/product/service that can provide proof of concept to ASEAN and its Member States.

The results of this process will feed into specific interventions under Objective 2.1.

1.2 (Phase One): Utilize lessons from Phase One to shape the design of Phase Two.

Phase One is conceived as an intermediate mechanism that provides proof of concept in supporting the implementation of ASEAN agreements at the Member State level. Phase One begins with easily identifiable and implementable interventions in both policy areas and technical assistance, with an initial focus on the ASEAN Economic Community. For the longer-term (under Phase Two), API seeks to support the implementation of ASEAN policies across all three communities, with the ability and flexibility to respond to emerging priorities for both the U.S. and ASEAN.
During Phase One, Objective 1.2 activities will continue to support assessments, analyses, and/or other research to identify additional policies, frameworks, guidelines, work plans, and/or other standards and agreements that could benefit from technical assistance in moving from commitments at the ASEAN level to implementation at the national level, with the aim of identifying targeted priorities for technical assistance under Objective 2.2.

1.3 (Phase Two): Conduct ongoing political economy analysis.

The Indo-Pacific region faces fast-moving geopolitical shifts, including continuing discussions on an ASEAN Indo-Pacific Outlook, election-related policy changes in Member States, and evolving relationships with China. As API shifts into Phase Two, Objective 1.3 would support a dedicated analytical capacity to ensure that USAID remains fully up-to-date on both ongoing developments and anticipated challenges in areas such as trade, energy, infrastructure, human rights, natural disasters, and man-made humanitarian crises. This would include:

- Regular collation and analysis of news, studies, reports, and other research by media, civil society organizations, academia, and other donors in the region to provide a rigorous evidence base for decision making.
- Periodic consultation processes with USAID missions in the ASEAN region to gather input on needs, interests, and priorities at the regional and bilateral levels that intersect with priorities at the ASEAN level.
- An institutionalized mechanism for communication, coordination, and information and knowledge sharing among USAID regional and bilateral missions to generate a knowledge base of ASEAN dynamics, mechanisms, discussions, priorities, opportunities, and implications for USAID programming.

Objective 1.3 would closely follow USAID guidelines for collaborating, learning, and adapting (CLA) and will be shaped by the CLA framework, enabling rigorous answers to its guiding questions:

- Collaborating: Are we collaborating with the right partners at the right time to promote synergy over stove-piping?
- Learning: Are we asking the most important questions and finding answers that are relevant to decision making?
- Adapting: Are we using the information that we gather through collaboration and learning activities to make better decisions and make adjustments as necessary?
- Enabling Conditions: Are we working in an organizational environment that supports our collaborating, learning, and adapting efforts?

**OBJECTIVE 2: Support the implementation of targeted ASEAN standards, policies, and agreements at the Member State level.**

USAID/ASEAN currently supports ASEAN at the institutional level in developing key regional policies in areas ranging from trade facilitation to combating trafficking in persons. Simultaneously, USAID missions in ASEAN Member States implement programs in many of these areas at the regional and bilateral levels. To date, there has been little opportunity for USAID to link these efforts to ensure
complementarity between standard-setting at the ASEAN level and USAID development assistance at the national level.

Building on the analytical capacity generated under Objective 1, AAlF will provide a bridge between these efforts by establishing a mechanism through which USAID missions can apply for dedicated technical assistance. The mechanism will set criteria for the selection of applications based on needs and opportunities identified by USAID missions, demonstration of in-country commitment (by either host country governments or non-governmental advocates such as business associations or civil society organizations), alignment with the IPS and DCF, and ASEAN-articulated needs.

Phase One: Targeted areas of intervention will be determined by the research conducted under Objective 1.1. Based on an initial analysis of the intersection between current USAID/ASEAN efforts and consultations with USAID missions in ASEAN Member States, these may include the following:

- **Trade facilitation.** Since 2006, USAID has worked with ASEAN and ASEAN Member States to advance the ASEAN Single Window (ASW). The ASW connects and integrates the national single windows of ASEAN Member States, which improves customs compliance and increases transparency in trade transactions, thereby reducing opportunities for corruption and increasing incentives for smaller firms to participate in trade. By promoting efficient, reliable, and secure automated customs systems for trade across ASEAN, the ASW reduces border clearance times, boosts clearance reliability, reduces costs for storage and labor, and helps to ensure that trade regulations are administered equitably.

  At present, harmonized national single windows are operational in seven Member States, and the remaining three countries are currently developing their national single window systems, a prerequisite to linking to the ASEAN Single Window. Seven Member States have linked their systems through the ASEAN Single Window, allowing even more rapid clearance of goods through the electronic exchange of key trade documents. Three countries, the Philippines, Burma, and Laos, are still determining how they can link to the ASW. While IGNITE will provide limited support in the implementation of the ASW during FY 2019-2020, numerous missions – and Member States themselves – have expressed interest in additional assistance to advance operability, including Laos, Vietnam, and the Philippines.

- **Digital Data Governance.** The Master Plan on ASEAN Connectivity 2025 identified the development of an ASEAN Framework on Digital Data Governance as an initiative to enhance data management, facilitate harmonization of data regulations among ASEAN Member States, and promote intra-ASEAN flows of data. Endorsed in December 2018, the Framework identifies four strategic priorities that support the ASEAN digital economy: (a) data life cycle and ecosystem; (b) cross-border data flows; (c) digitalization and emerging technologies; and (d) legal, regulatory, and policy provisions. The Framework also identifies four initiatives in support of these priorities: (a) an ASEAN Data Classification Framework; (b) an ASEAN cross-border data flow mechanism; (c) an ASEAN Digital Innovation Forum; and (d) an ASEAN Data Protection and Privacy Forum. IGNITE is working with ASEAN on three of these areas:
cross-border data flows, digital innovation, and personal data protection. USAID missions across the ASEAN region expressed need and interest in a variety of areas related to digital data governance, including e-payment systems, data localization, and cybersecurity.

Based on further research, and upon USAID concurrence, the Phase One Contractor will propose small-scale, proof-of-concept interventions within select ASEAN Member States to advance their implementation of the targeted ASEAN agreement. If these Concept Activities prove successful, the Contractor may potentially, upon USAID concurrence, scale-up and adapt these efforts to additional Member States.

Phase Two: Targeted areas of intervention will be determined by the analysis conducted under Objectives 1.2 and 1.3. Based on an initial analysis of the intersection between current USAID/ASEAN efforts and consultations with USAID missions in ASEAN Member States, these may include the following:

- **Trafficking in persons.** Of the 10 countries in ASEAN, only the Philippines has been designated Tier 1 by the U.S. State Department’s annual Trafficking in Persons (TIP) report; two Member States, Burma and Laos, have been designated Tier 3. In 2015, ASEAN reaffirmed its commitment to combating human trafficking via the ASEAN Convention Against Trafficking in Persons, Especially Women and Children (ACTIP). USAID/ASEAN, through PROSPECT, is supporting implementation of ACTIP by providing technical assistance in the drafting of the ASEAN Regional Guidelines and Procedures to Address the Needs of Victims of Trafficking in Persons and in the development of a model toolkit for implementation of the guidelines at the national level. PROSPECT has limited ability to support Member States in incorporating the guidelines, following the toolkit, or implementing other aspects of the Convention.

While awareness of ACTIP appears mixed across USAID missions in the ASEAN region, most missions either have current TIP activities or are interested in them. Existing programming includes the USAID Asia Counter Trafficking in Persons activity, managed by RDMA, as well as bilateral efforts in Burma, Cambodia, Laos, and the Philippines. Other missions, such as Vietnam, do not currently have programs, but are interested in related efforts due to a risk of backsliding in the State Department’s report. AAIF would enable USAID missions to support host-country governments in living up to their regional obligations by ensuring that national-level efforts address transboundary concerns, integrate shared best practices, and promote coordinated enforcement and collaborative action.

- **Wildlife trafficking.** As an estimated $20+ billion-a-year illicit industry, wildlife trafficking is one of the world’s most lucrative transnational crimes. Its multi-sectoral impact has the potential to threaten security, undermine the rule of law, fuel corruption, restrict economic development, push species extinction, and spread disease. With many ASEAN countries leading perpetrators, Member States have acknowledged the importance of strengthening cooperation through implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). As part of this commitment, PROSPECT is supporting ASEAN in drafting the ASEAN Guidelines for Detecting and Preventing Wildlife Trafficking, which aim to enhance
transboundary cooperation among relevant law enforcement officers. The Guidelines will contain a regional data sharing mechanism on wildlife enforcement; a regional reporting protocol in wildlife trafficking; and a joint operational mechanism among ASEAN Member States, including policy-making collaboration.

Though PROSPECT has limited ability to support implementation of the Guidelines at the Member State level, combating wildlife trafficking remains a key priority for numerous USAID missions in the ASEAN region, including RDMA's Wildlife Asia activity, as well as USAID/Vietnam's Saving Species program, Protect Wildlife in the Philippines, and the Lestari program in Indonesia. Illegal logging in Cambodia and the illegal trafficking of timber into Vietnam is a particular concern of USAID missions in both countries, including its implications for deforestation, the proliferation of corruption, and the exacerbation of tension between the two countries. With most bilateral efforts focusing on issues of national law enforcement and demand reduction, API would enable USAID missions to support the policies and mechanisms necessary for implementing the ASEAN Guidelines to address the transboundary nature of wildlife trafficking, including laying the foundation for regional data sharing and reporting.

Other: There are numerous other areas in which USAID/ASEAN is currently supporting ASEAN at the institutional level that also intersect with the priorities of USAID missions in the region. The possibilities for capitalizing on this intersection to support implementation at the national level include:

- Implementation of the 2017 Manila Declaration to Counter the Rise of Radicalization and Violent Extremism (with links to programs at USAID/Indonesia and USAID/Philippines);
- Implementation of the ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers (with interest from Cambodia, Indonesia, and the Philippines);
- Increased of ASEAN’s compliance with the United Nations Convention against Corruption (a key concern expressed by missions in Burma, Cambodia, Philippines, and Indonesia);
- Advancement of the ASEAN Smart Cities Network (with curiosity from USAID/Indonesia and USAID/Philippines);
- Further development of the enabling environment for micro, small, and medium enterprises, including opportunities for women and youth (with links to activities in missions such as USAID/Burma, USAID/Vietnam, and USAID/Cambodia);
- Efforts to support the engagement of civil society, with particular salience for USAID/Cambodia;
- Concrete contributions to the implementation of gender mainstreaming, addressing areas such as data collection, gender-based violence, sexual harassment, and women’s care burdens (with input from USAID/Cambodia, USAID/Philippines, and USAID/Vietnam).

Under both Phase One and Phase Two, illustrative activities may include:

- Applied research on priority technical, policy, and strategic issues, such as gap analyses, impact assessments, and feasibility studies on the implementation of ASEAN standards, policies, and agreements at the national level.
- Capacity building of national-level actors responsible for planning, budgeting, implementing, and/or monitoring ASEAN standards, policies, and agreements through information dissemination, seminars, workshops, and other fora.
• Assistance in the drafting of laws, policies, and other mechanisms necessary for implementation.
• Grants to non-governmental actors, such as business associations and civil society organizations, to help advocate for the passage of necessary laws and policies and/or monitor their implementation.
• Provision of technical specifications, such as software.
• Technical advice and implementation support to USAID missions.

Objective 3: Provide technical assistance in the further development of emerging ASEAN standards, policies, and/or agreements that align with the IPS and USAID bilateral and regional mission goals.

While Objective 2 supports the implementation of established ASEAN-level agreements at the national level, Objective 3 provides the flexibility to respond to emerging needs and interests for the development or advancement of newer ASEAN-level standards in shared priority areas.

Based on initial consultations with USAID missions, illustrative areas may include the following:

Marine waste: ASEAN Members States are among the largest producers of marine waste worldwide, posing threats to fish stocks, tourism potential, and healthy lives. Multiple USAID missions, including those in Indonesia, the Philippines, and Vietnam, rated marine waste as a leading concern; these missions are also among the four pilot countries participating in USAID’s Municipal Waste Recycling Program. The issue is attracting increasing attention in ASEAN, including a March 2019 statement by a Special ASEAN Ministerial Meeting on Marine Debris and an ASEAN Framework of Action on Marine Debris adopted at ASEAN’s 34th summit in June 2019.

Air quality: With rapid urbanization, cities such as Bangkok, Jakarta, and Hanoi increasingly face dangerous levels of decreasing air quality, a concern identified by multiple USAID missions in the ASEAN region. ASEAN has lagged behind addressing the risks of air pollution; while an ASEAN Agreement on Transboundary Haze Pollution was first signed in 2002, Indonesia, the last country to ratify the agreement, did not do so until 2014. In 2016, ASEAN adopted the Roadmap on ASEAN Cooperation towards Transboundary Haze Pollution Control with Means of Implementation, which aims to achieve a “haze-free” region by 2020. One year before the deadline, that target is far from being met.

Energy policies: Energy is a key priority of the IPS, and multiple missions – including RDMA, USAID/Indonesia, USAID/Vietnam, and USAID/Philippines – actively engage in the energy sector. Many missions expressed interest in exploring ASEAN-wide policies in a wide range of areas, including power purchasing agreements, cross-border energy sales, power sharing, grid integration, air conditioning, and solar panels. The ASEAN Plan of Action for Energy Cooperation (APAEC) 2016-2025 establishes seven strategies, including an ASEAN power grid, coal and clean coal technologies, energy efficiency and conservation, renewable energy, and regional energy policy and planning.

Infrastructure assessment and financing: Infrastructure is not only a key priority of the IPS, but also a centerpiece of USAID’s Clear Choice Framework. USAID missions have expressed interest in exploring ASEAN policies in areas such as the evaluation of infrastructure projects (USAID/Burma and
USAID/Laos) and environmental impact assessments (USAID/Indonesia and USAID/Cambodia). USAID/Vietnam has also been working to advance legislation on public-private partnerships (PPP) in support of alternative models of financing; ASEAN has previously developed principles for PPP frameworks.

**Competition policy:** With support from other donors, particularly Germany, ASEAN has worked on areas of competition policy, including the ASEAN Regional Guidelines on Competition Policy and a Handbook on Competition Policy and Law in ASEAN for Business. USAID/Vietnam has developed a successful tool in the Provincial Competitiveness Index, which has provided a voice for the business community and driven reform throughout the country. Dissemination of this model at the ASEAN level would offer other Member States the opportunity to replicate an effective mechanism and leverage the power of competition among Member States.

**Disinformation:** Disinformation has emerged as one of the world’s leading challenges in the information sphere, and countries throughout the ASEAN region struggle to respond, whether the role of social media in inflaming the Rohingya conflict or the impact of fake news during Indonesian elections. Some Member States have already passed controversial legislation that critics fear could limit freedom of expression, while other Member States are considering doing so. ASEAN has begun initial efforts to develop a regional approach, including the 2014 Declaration on Social Responsible Media for a Peaceful and Prosperous Community and the 2018 Framework and Joint Declaration to Minimize the Harmful Effects of Fake News. Technical assistance based on USAID’s worldwide experience in this field, including models for fact-checking, digital literacy, and civil society engagement, can help ensure that future ASEAN efforts follow international best practices.

Under Objective 1.3, API will conduct additional consultations with USAID missions to further elaborate on policy areas/standards of common interest, with a focus on alignment with the IPS, DCF, and ASEAN Community Vision 2025. This will include a mapping of the status of ASEAN efforts in these areas to date, the ASEAN bodies involved, and the contribution of other donors.

Based on this analysis, the Contractor will propose three to five potential areas for technical assistance under Phase Two. Following discussion and agreement among USAID stakeholders, the Contractor will work with USAID/ASEAN to draft proposals to approach ASEAN with offers of technical assistance. Actual activities will be designed following these consultation processes, but may include studies, workshops, and drafting guidance towards the development and/or advancement of agreements, guidelines, and work plans in the selected priority areas. These activities would not overlap with existing efforts under IGNITE or PROSPECT, but would closely coordinate with these programs in relationship building and strategic planning.
3. Recommended Threshold Decisions for API Activity

3.1 Justification for Categorical Exclusion Request

The activities described justify Categorical Exclusions, pursuant to 22 CFR 216.2(c)(1)(i) and (2)(i), (iii), and (v) for which an Initial Environmental Examination, or an Environmental Assessment, are not required because the actions do not have an effect on the natural or physical environment.

Specifically, as currently planned, these activities fall into the following classes of action:

- Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.).
- Analyses, studies, academic, or research workshops and meetings.
- Document and information transfers.

Table 1 below summarizes the recommended threshold decisions for activities under SPA Project.

<table>
<thead>
<tr>
<th>Mechanism/Activity</th>
<th>Implementation Period</th>
<th>Projected Total Award Under this Recommendation</th>
<th>Environmental Class of Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTI</td>
<td>June 2013 - December 2018</td>
<td>$21,686,310</td>
<td>Categorical Exclusions</td>
</tr>
<tr>
<td>PROGRESS</td>
<td>September 2013 - September 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AYVP</td>
<td>September 2014 - July 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;T Fellowship</td>
<td>October 2017 - October 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IGNITE</td>
<td>September 2018 - September 2023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROSPECT</td>
<td>September 2018 - September 2023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>API*</td>
<td>October 2019 - September 2026</td>
<td>$22,000,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$43,686,310</td>
<td></td>
</tr>
</tbody>
</table>

Note: *New Activity under the scope of this RCE

3.2 Recommended Environmental Action

To ensure compliance with Government of Indonesia (GOI) environmental laws and international obligations, and to facilitate level playing ground through adherence to and enforcement of best international environmental and social safeguards, Mission Environmental Officer (MEO) shall review and provide inputs into scope or works for individual activities and tasks.
4. Climate Risk Management for API Activity

Pursuant to the ADS 201.1, USAID must factor climate resilience into international development programs to the extent allowable by law, assessing and addressing climate risk, as appropriate. Consistent with ADS 201.3.4.5, if climate risk has not been adequately assessed at the strategy or project level, or if the risk rating was not exclusively determined to be “Low,” climate risk must be assessed, with plans specifying mitigation actions at the activity level.

The Climate Risk Screening table summarizes activity-level climate risk management, including programmatic components, identified risks, and associated mitigation measures. The implementing partner will implement identified actions during the life-of-project and report back regularly to the activity manager on the status of their implementation, to enable smooth oversight and ensure sustainability of developmental objectives. To support that action, the implementing partners may use relevant climate information and resources from each ASEAN Member State.

Table 2. Climate Risk Screening for API Activity (Part 1)

<table>
<thead>
<tr>
<th>Result (a)</th>
<th>Components/Activities (b)</th>
<th>Climate Risks (c)</th>
<th>Climate Risk Rating (d)</th>
<th>How Climate Risks Are Addressed in the Project (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obj. 1</td>
<td>Enable evidence-based decision making through ongoing analysis linking the IPS, ASEAN priorities, and USAID assistance at the regional and bilateral levels.</td>
<td>Among the potential policy areas the activity may support includes the implementation of ASEAN standards combating illegal wildlife trafficking and addressing illegal, unregulated, and unreported fishing (e.g., the exchange of catch documentation). The potential assistance itself is not anticipated to pose a climate risk, but rather, may contribute to efforts by ASEAN and member states to address climate risks.</td>
<td>Low</td>
<td>API will endeavor to ensure that activities such as trainings, workshops, and meetings will be held in facilities that pursue environment-friendly policies and are less affected by climate change stressors.</td>
</tr>
<tr>
<td>Obj. 2</td>
<td>Support the implementation of targeted ASEAN standards, policies, and agreements at the Member State level.</td>
<td>The potential assistance itself is not anticipated to pose a climate risk; however, climate change stressors (e.g., increase or decrease of precipitation)</td>
<td>Moderate</td>
<td>To address the potential impact of climate change that may affect the sustainability of this programming in the future,</td>
</tr>
</tbody>
</table>

USAID bilateral and regional mission goals. that lead to drought and flood incidents) may increase the vulnerability of ASEAN countries that, whenever identified, should be addressed on the development of new standards, policies, and/or agreements.

the implementing partner should identify any opportunities to strengthen the resilience, as necessary. If identified, those opportunities should be addressed and incorporated into the work plan (e.g., screen the development of all standards, policies, and/or agreements that require to incorporate climate change consideration in order to increase resilience).

Table 3. Climate Risk Screening for API Activity (Part 2)

<table>
<thead>
<tr>
<th>Result (a)</th>
<th>Components/Activities (b)</th>
<th>Further Analysis/Next Steps for Activity Implementation (c)</th>
<th>Accepted Climate Risks (d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obj. 1</td>
<td>Enable evidence-based decision making through ongoing analysis linking the IPS, ASEAN priorities, and USAID assistance at the regional and bilateral levels.</td>
<td>None necessary at this time.</td>
<td>Mission accepts the risks and will seek to use projects opportunities to help addressing those.</td>
</tr>
<tr>
<td>Obj. 2</td>
<td>Support the implementation of targeted ASEAN standards, policies, and agreements at the Member State level.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obj. 3</td>
<td>Provide technical assistance in the further development of emerging ASEAN standards, policies, and/or agreements that align with the IPS and USAID bilateral and regional mission goals.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Limitations and Revisions

5.1 Limitations

This RCE covers only activities that are categorically excluded. Depending upon the nature of the work, the project implementer shall ensure that all activities, especially for SME development or involve the application of design criteria or standards, fall into categorical exclusion determination. Activities which
involve the application of design criteria or standards will be developed in consultation with USAID. Due to the importance of maintaining and preserving the environment and biodiversity for economic, climate and disaster protection reasons, particularly in a country such as Indonesia, all assessments will consider environmental factors, including social and natural resources safeguards. The project implementer will report the adequacy of this determination and report compliance or need for modification to USAID on an annual basis.

5.2 Revisions

If during implementation, project activities are considered outside of those described in this document, an amendment shall be submitted. Pursuant to 22 CFR 216.3(n)(9), if new activities are added and/or information becomes available which indicates that activities to be funded by the project might be "major" and the project's effect "significant," this determination will be reviewed and revised by the Agreement/Contracting Officer's Representative of the project, and submitted to the MEO and Bureau Environmental Officer (BEO) for approval and, if appropriate, an environmental assessment will be prepared. This IEE shall also be amended if the current funding level is increased by more than $250,000; and the Life of Funding is extended beyond six (6) months.