



USAID | ARMENIA

FROM THE AMERICAN PEOPLE

Issue Date: July 24, 2018
Pre Application Conference: August 10, 2018
Deadline for Questions: August 23, 2018
Closing Date: October 1, 2018
Closing Time: 17:00PM Yerevan Time

Subject: Notice of Funding Opportunity Number: 72011118RFA00001

Program Title: Armenia Rural Economic Development – New Economic Opportunities
(RED-NEO)

Catalog of Federal Domestic Assistance (CFDA) Number: 98.001

Ladies/Gentlemen:

The United States Agency for International Development (USAID) is seeking applications for a cooperative agreement from qualified entities to implement the Rural Economic Development – New Economic Opportunities program. Eligibility for this award is restricted to local Armenian NGOs see Section C of this NFO for eligibility requirements.

USAID intends to make one award to an applicant who best meets the objectives of this funding opportunity based on the merit review criteria described in this NOFO subject to a risk assessment. Eligible parties interested in submitting an application are encouraged to read this NOFO thoroughly to understand the type of program sought, application submission requirements and selection process.

To be eligible for award, the applicant must provide all information as required in this NOFO and meet eligibility standards in Section C of this NOFO. This funding opportunity is posted on www.grants.gov and may be amended. It is the responsibility of the applicant to regularly check the website to ensure they have the latest information pertaining to this notice of funding opportunity and to ensure that the NOFO has been received from the internet in its entirety. USAID bears no responsibility for data errors resulting from transmission or conversion process. If you have difficulty registering on www.grants.gov or accessing the NOFO, please contact the Grants.gov Helpdesk at 1-800-518-4726 or via email at support@grants.gov for technical assistance.

USAID will not award to an applicant unless the applicant has complied with all applicable unique entity identifier and System for Award Management (SAM) requirements detailed in Section D.6.f. The registration process may take many weeks to complete. Therefore, applicants are encouraged to begin registration early in the process.

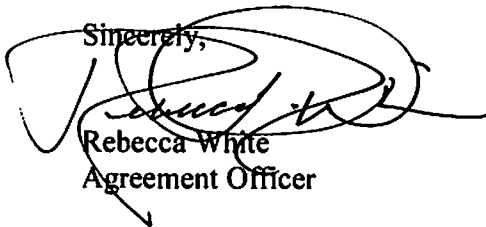
Please send any questions to the point(s) of contact identified in Section D. The deadline for questions is shown above. Responses to questions received prior to the deadline will be furnished to all potential applicants through an amendment to this notice posted to www.grants.gov.

A pre-application conference will be held on August 10, 2018, 9:30AM at USAID/Armenia, 1 American Avenue, Yerevan 0082, Armenia.

Issuance of this notice of funding opportunity does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for any costs incurred in preparation or submission of comments/suggestions or an application. Applications are submitted at the risk of the applicant. All preparation and submission costs are at the applicant's expense.

Thank you for your interest in USAID programs.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rebecca White', is written over the word 'Sincerely,'. The signature is stylized with a large, looping initial 'R'.

Rebecca White
Agreement Officer

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SECTION A: PROGRAM DESCRIPTION

This funding opportunity is authorized under the Foreign Assistance Act (FAA) of 1961, as amended. The resulting award will be subject to 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and USAID’s supplement, 2 CFR 700, as well as the additional requirements found in Section F.

RURAL ECONOMIC DEVELOPMENT – NEW ECONOMIC OPPORTUNITIES (RED-NEO)

A.1 INTRODUCTION

The Rural Economic Development – New Economic Opportunities (RED-NEO) is planned as an up to 60-month activity that aims to promote inclusive, sustainable economic security and economic growth in targeted areas, with an emphasis on: (a) facilitating market linkages between producers and buyers; (b) promoting local economic development by establishing networks, and; (c) improving SME/farms/firms/cooperatives development and growth. While specifically focusing on these aspects, the activity will also improve the qualitative (production, turnover etc.) performance of rural businesses and cooperatives and strengthen their capacity and performance to meet certain quality standards, thus fostering the continued development of a competitive agricultural sector.

This activity will contribute to achieving Mission Development Objective 1 “More Inclusive and Sustainable Economic Growth”, associated IR1.2 “Increased Competitiveness of Target Sectors”, and Sub-IRs 1.2.1 “Access to domestic and export markets increased” and 1.2.3 “Productivity and sophistication of enterprises strengthened”. This project is a logical successor to the Mission’s Partnerships for Rural Prosperity (PRP), Advanced Rural Development Initiatives (ARDI) and Development of Private Extension Services System in Armenia (DPSSA) projects. RED-NEO will closely cooperate and coordinate activities with the Ministry of Agriculture (MoA) and the Ministry of Territorial Administration and Development (MTAD) in line with the Government of Armenia’s (GOAM) Agriculture Development Strategy, Proportional Territorial Development Strategy, as well as ongoing and upcoming projects funded by other donors and lenders.

A.2 BACKGROUND

Agriculture is a key contributor to the Armenian economy and a major source of employment. In 2016 it accounted for about 20% of GDP, approximately 18% of export earnings, and 44% of employment. During the last few years, as other sectors contracted due to the economic crisis in Russia, Armenia’s major trading partner, Armenia was able to beat forecasts of negative GDP growth on the strength of the agriculture sector. Agriculture growth has averaged more than 6% over the period 1997-2015. Exports of agricultural products have more than doubled since 2005. While the agriculture sector has been resilient, it has been functioning at a low level of intensity and has not reached its full potential.

In recent years, rural/agricultural areas have been slowly depopulating due to a lack of employment opportunities, with people leaving for urban areas or migrating abroad. However, with the recent economic downturn in Russia, and fragile political situation in neighboring countries, including Syria, more native Armenians are returning home, creating additional pressure on rural unemployment. The GOAM places a priority on retaining people in rural areas to maintain its territorial integrity. Given the economic and political importance of a vibrant rural sector, it is imperative that efforts are made to sustain and help agriculture reach its full potential.

Although agricultural productivity has increased over the last decade (supported by increases in availability of inputs, improved availability of finance, some foreign investment, improved market linkages, and an increase in farmers' knowledge and skills), yields are well below more efficient producers in the region, and when subsidies are included, costs per unit production are also high. While Armenian agriculture has seen positive developments as it relates to export markets, it still hasn't kept up with imports and there is room for further sustained growth. Exports of agricultural products, continuing the steady growth of recent years, showed strong growth during 2003-2015 – rising from USD 79.1 million to USD 398.0 million over the same period. Since Armenia has joined the Eurasian Customs Union (ECU) and signed the Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU, it is in an advantageous position to access both the Russian and EU markets with fewer barriers.

Smallholder Focus

The recently conducted Agricultural Census indicates that small land holders dominate the agriculture sector, with some 350,000 households with average land-holdings of around 1.48ha. Only a relatively small proportion can be considered truly commercial. A shift towards increased commercialization in the sector has been taking place in recent years. In 2016 the number of smallholders was 320,000. Some farmers (around 15%) now cultivate leased land, although a third of farmers do not cultivate all their land. Therefore, the focus should be on helping the small farmers organize as cooperatives and producer associations to produce scale and consistent grades and standards, and linking them with larger farmers, through contractual agreements where appropriate, to ensure reliable markets. Providing smallholders with inputs, credit and technical training to produce high-value commodities and helping them process, add value and market their produce will help to increase overall agricultural growth while boosting rural household incomes.

Value Addition and Marketing

The ability to produce high value agricultural commodities and reliably market them is a key to improving rural livelihoods. Perishable products can be processed to add value and reach more distant markets. Some agro-processors and small rural businesses are emerging, contractual arrangements between processors and producers are in place, and producer associations and cooperatives are engaged. However, these developments are far from reaching their full potential. Links between the food processing industry and agricultural producers remain weak, and many rural enterprises lack technology and know-how that could improve their competitiveness. Significant key constraints limiting the sector's full potential could be overcome by improving market access, supporting the commercialization process, and enhancing employment opportunities in rural areas while protecting the natural environment. Further development of rural enterprises and strengthening the links between agricultural producers, the food processing industry and markets are critical, especially for those products where Armenia has a comparative

advantage, such as fruits, vegetables, grapes and berries, as well as niche products such as honey.

Weak Value Chain Approach

A value chain approach can improve crop competitiveness. The value chain approach necessitates understanding the market system in its totality: the firms that operate within an industry — from input suppliers to buyers; the support markets that provide technical, business and financial services; the strength and efficiency of vertical and horizontal linkages/cooperation and supporting markets; and the policy and business environment in which the industry operates. The key features of the value chain approach include: a market systems perspective; a focus on end markets and demand; an understanding of the role of value chain governance; and recognition of the importance of inter-firm relationships.

A.3 ACTIVITY GOAL AND OBJECTIVES

a. Activity Goal

The overall goal of this 60-month activity is **to promote economic security in targeted areas through inclusive and sustainable economic growth**, with an emphasis on:

- (a) facilitating market linkages between producers and buyers;
- (b) promoting local economic development by establishing networks of producers/buyers/sellers etc., and;
- (c) improving SME/farms/firms/cooperatives development and growth.

The funding priority and technical area of this activity is the Horticulture value chain¹, including orchards and dried fruit, viticulture, greenhouses, and berries, as well as hospitality (Food and Beverage (F&B) and Farmer-to-Table (F2T)), weather stations (early warning on irrigation, pests and disease management), and light agricultural machinery repair. RED-NEO will work with small and medium sized established rural businesses, i.e. firms, farmers, coops, and rural SMEs (established but still having growth potential and unable to meet market demand, but will not work with subsistence level farms or oligarchs).

The project will strengthen SME/businesses/coops skills, improve their ability to generate income, and foster enduring market linkages to strengthen the market system, bolstering the resilience and livelihoods of target communities. This activity will scale up established businesses, including prior USAID beneficiaries, that still have growth potential or are unable to meet demand. While agriculture sector growth has been strong, closer examination shows that the high growth rate is unsustainable. The recent strong growth has largely been driven by increased productivity of semi-subsistence farms rather than the widespread adoption of improved technology and a shift towards modern, commercial agriculture. In USAID/Armenia's experience implementing agriculture projects, a combination of **Technical Assistance** and **Small Grants**, as well as access to low interest special lines of credit, would make RED-NEO interventions attractive and contribute to improved sustainability and ownership.

¹ The horticulture value chain selected based on conducted rigorous analysis by USAID, GOA and other donors, as well as sector's growth potential, opportunity to scale and impact given time and resources available.

b. Linkages with USAID/Armenia's CDCS Results Framework and other relevant USAID Policies

The 2009 economic crisis exposed Armenia's vulnerability: the economy contracted by 14 percent; poverty increased to 35.8 percent; and the debt ratio rose sharply to about 60 percent of GDP. Armenia has made a slow but stable recovery from the crisis; growth accelerated to over 7% in 2012, and was led by agriculture, mining industry and services. Growth was about 3.5-4% in 2015 and 2016, again mainly due to agriculture. Armenia's growth worsened regional disparities as wealth accrued to the capital. High poverty rates persist in rural areas and are highest in secondary towns and cities. Armenia's exports are low as a share of GDP, highly concentrated, and resource intensive. The export/GDP ratio is about 20% only, and has fallen continuously since its peak of 32.2 percent in 2003. Based on rigorous analysis conducted for CDCS preparation, four sectors (agriculture, hospitality, IT and pharmaceuticals) were identified as the sectors with the greatest potential for strengthening competitiveness and increasing exports. Subsequently the EG PAD narrowed down major sector assistance four to two sectors – agriculture and tourism. The EG Assessment identified agriculture and processed foods/beverages as the key sectors which had the greatest potential for generating more inclusive growth. Employing more than 40% of the population, agriculture and rural development are vital components of inclusive economic security and growth, despite their low productivity. The Mission's development hypothesis is that more inclusive and sustainable growth will be achieved if the competitiveness of targeted sectors is strengthened (agriculture and tourism) and the enabling environment is more attractive for trade and investment. Thus, by supporting competitive sectors that generate employment and increase access to markets and resources for MSMEs more inclusive growth will be ensured. Sustaining inclusive growth entails effective policies, increased regional integration, a diversified economy, an enterprising workforce that can drive future growth, and strategic use of resources. If Armenia achieves more inclusive and sustainable economic growth and develops an increasingly stable, integrated and healthy society, its democratic, free-market oriented transformation will be strengthened and upheld.

This activity will work in the agriculture sector as identified in the CDCS and the EG PAD. The activity will focus on: (a) facilitating market linkages between producers and buyers; (b) promoting local economic development by establishing networks, and; (c) improving SME/farms/firms/cooperatives development and growth. RED-NEO will work with small and medium sized established rural businesses, i.e. firms, farmers, coops, and rural SMEs established but still having growth potential and unable to meet market demand. This activity will scale up ongoing USAID beneficiaries and established businesses that still have growth potential or are unable to meet demand. Thus, the RED-NEO will strongly contribute to achieving the Mission's DO1 "More Inclusive and Sustainable Economic Growth", associated IR1.2 "Increased Competitiveness of Target Sectors", and Sub-IRs "Access to domestic and export markets increased" and "Productivity and sophistication of enterprises strengthened". This project is a logical successor to the Mission's PRP, ARDI and DPESA projects will closely cooperate and coordinate activities with the MoA and MTAD in line with the GOAM Agriculture Development Strategy, Proportional Territorial Development Strategy, as well as ongoing and upcoming projects funded by other donors and lenders.

c. Operating Principles and Cross-Cutting Issues

Synergies with Other USAID Activities

It is the Mission's intention to consider funding activities that will work in close cooperation with other USAID activities, therefore, it is important that proposed activities clearly demonstrate how synergies and linkages with other USAID activities will be ensured.

Competition

As an essential element to viable economic and democratic systems, competition is a common theme in USAID/Armenia's overall strategy and an essential factor underlying the current activity. Developed, sustainable and competitive small and medium size rural businesses (i.e. firms, farmers, coops, rural SMEs etc.) are critical to the success of a bottom-up, inclusive and participatory approach to economic and democratic development. Improved performance of rural businesses/SMEs will contribute to economic security and resilience of the targeted regions, and lead to reduced reliance on remittances from Russia as well as reduced outmigration.

Regional Impact

USAID/Armenia prioritizes rural economic development. The impact on rural daily life due to the lack of technical knowledge, and inconsistent quantity and quality of products is most acute at the local level. This activity will improve the capacity of beneficiary communities to manage variability and transition to more sustainable development; it will enable identification and utilization of mutually beneficial market opportunities to form "win-win" relationships. As profit-minded actors see tangible economic benefits, cooperation will continue and contribute to strengthened linkages.

Innovation

The Mission fosters opportunities to support new technologies and innovation in implementing the strategy. To this end, the proposed activities are expected to capitalize on innovative approaches that foster production and access to new/existing markets. Applicants are encouraged to engage international expertise and best practices to introduce these approaches.

Youth

USAID/Armenia pays special attention to youth as drivers of change, future leaders, and entrepreneurs within the workforce and society as a whole. It is important to address and cultivate this growing potential within the context of the proposed interventions.

Partnerships

USAID/Armenia encourages forging partnerships and engaging the Armenian Diaspora as a strategic means to building and ensuring sustainability of development interventions. Proposed activities are encouraged to consider strategic partnerships that will help leverage funds, bring new expertise and technologies and/or introduce third-party ownership of activities.

Gender Considerations

USAID's Sustainable Development Office projects encourage equal opportunities for men and women. The Recipient will be expected to utilize best approaches in gender integration. The recipient will ensure that men and women are equally supported through USAID funded activities and that gender awareness and gender dynamics are taken into consideration in all USAID/Armenia RED-NEO activities.

To the extent possible, the applicant will propose approaches to include women in all RED-NEO activities in meetings, training, capacity building and other activities during the RED-NEO implementation.

The USAID/Armenia RED-NEO Program will ensure that: 1) women and men have the same opportunities and are treated without discrimination; 2) resources are fairly distributed, taking into account the different needs of women and men; 3) the wide-ranging societal, political and economic effects of differences in gender roles are taken into account.

The Recipient will work with the program's counterparts and beneficiaries, as well as with international organizations, to increase equal political and economic opportunity for women in Armenia.

Sustainability

Sustainability should be ensured through a market systems approach. This activity should seek to integrate the whole market system — households, SMEs, farmers, firms, sectoral associations, civil society, and government institutions — into networks that generate economic security and growth. Illustrative elements of sustainability include, but are not limited to, the following:

- Fostering market orientation:
 - Measured by the degree of beneficiaries' market orientation: the ability to identify market demand and meet it consistently, maintain buyer relationships, and regularly re-evaluate the market to drive production.
 - Develop skills that allow SMEs to track and analyze market trends, manage their businesses to respond to them, and link SMEs to financing opportunities to help them deliver what the market requires and facilitate the achievement of quality standards to open doors to expanded markets.
 - A better market orientation, access to market information and improved production techniques to improve quantity and quality, would encourage economies of scale, establish connections to foster value chain linkages, and create opportunities for increasing value added in each segment.
- Fostering win-win relationships:
 - The project enables firms/farmers, SMEs and households to identify and utilize mutually beneficial market opportunities to form "win-win" relationships. As long as profit-minded actors see economic benefits, cooperation would continue and contribute to strengthened linkages.
- Sub-awards to businesses:
 - The project allocates sub-awards to businesses to support them to advance competitiveness within supported value chains (technology upgrade, production increase, marketing etc.).

A.4 PROGRAM FOCUS AREAS AND INDICATORS

The focus of RED-NEO is to integrate rural communities and businesses into national economic networks. An indicator of program success would be the involvement of at least 80 businesses in at least 50 communities (TARA and "My Armenia" target communities to be considered).

The methodology of identification of the products, sectors and communities to target, and establishment of networks should be proposed by the applicants; use of participatory, collaborative and co-creation approaches are highly encouraged. Interventions throughout the horticulture value chain may be proposed by the applicant, including, but not limited to: fruits/vegetables (including dried fruits and greenhouses), berries, viticulture, weather stations

(early warning on irrigation, pests and disease management), as well as tourism/hospitality (food and beverage, etc.) and agricultural light machinery repair. Small and medium size rural businesses, i.e. firms, farmers, coops, rural SMEs etc., are the intended beneficiaries of this activity.

The project team should propose tailored approaches appropriate to support beneficiaries at their current level of sophistication and address knowledge and skill gaps, which may include a poor understanding and inconsistent application of required quality standards; limited use of technology; poor financial planning and limited capacity to access credit; lack of strategic planning in production; and weak market awareness and marketing strategies. With improved capacity in operations and planning, beneficiaries will be better able to compete in markets that require long-term planning and investment.

Goal: Promote inclusive, sustainable economic growth and economic security in targeted areas.

Objectives: (i) improve SMEs/coops/firms/farms development and growth; (ii) facilitate market linkages between producers and buyers; (iii) promote local economic development by establishing networks.

This goal is expected to be achieved through progress towards the result areas as summarized below.

Goal: Promote inclusive, sustainable economic growth and economic security in targeted areas

Component 1: Rural Incomes through Agricultural and Other Production Increased and Diversified

Component 2: Farmers and Products Linked to Sustainable Markets

Anticipated Program Component 1: Rural Incomes through Agricultural and Other Production Increased and Diversified

This objective of this component is to assist rural small businesses to identify value-added opportunities and translate them into sustainable economic activities. Applicants should propose approaches to assist beneficiaries to increase the volumes produced and per unit values of the targeted high-value crops; identify and develop new products; and locate new markets for all targeted crops and products. Examples of assistance include: improved production practices in the areas of horticulture (including greenhouses and nurseries), berry production and viticulture; inputs; meteorological stations (to provide early warning services to farmers regarding irrigation, pests and disease management); upgrading processing facilities; and organizing cooperatives and producer associations. People in rural areas earn income through means other than agriculture,

and this includes: tourism/hospitality (F&B, F2T etc.) and agricultural light machinery repair. Applicants may consider community identified needs for support to non-agriculture rural employment/income generation activities.

Expected Outcomes:

- Volume of high-value vegetables and fruits increased
- Value of agricultural production and processing increased
- Household incomes due to non-agricultural activities increased.

Anticipated Program Component 2: Farmers and Products Linked to Sustainable Markets

The objective of this component is to connect farmers to identified markets (local and export) for the targeted products via processors, traders, exporters or farmers' organizations in structures and ways that are appropriate, effective and sustainable, which provide opportunities to increase their sales and incomes. In some cases, agricultural markets that ensure the efficient flow of goods from farmer to end consumer share common constraints across crops, while other issues are limited to the specific value chains – food and non-food – in which these farmers operate. In many cases, a household's desperate need for cash at certain times of the year forced farmers to sell at a lower price than otherwise possible. Additionally, substantial price fluctuations and lack of understanding of market demands constrain their earnings from agricultural sales. Many smallholders generally do not organize into cooperatives or other formal groups, and rather trade in local markets or along the highway, for lower profits. Lack of post-harvest handling technologies and know-how, as well as inconsistent sorting and grading techniques, further reduces potential income. It is recommended to have short-term International marketing expertise for this component. Activities under this component might include, but are not be limited to the following: linking coops/farmers to local hotels and supermarkets; supporting participation in B2B events and trade fairs; establishing consolidation platforms; and bridging the gap between small producers and large processors etc.

Expected Outcomes:

- Producer organizations established
- Agro-processors establish contractual relationships with farmer cooperatives
- Improved post-harvest handling, packaging; branding; storage, and transportation techniques introduced.
- Private sector engagement and investment in upgrading agricultural value chains.

In an effort to provide innovative and flexible mechanisms to promote public-private activities as well as other agreed upon goals, small grants may be initiated and managed by the prime Recipient. The total amount of the small grants component should not exceed 30% of the total proposed project cost. A grants component may be used to provide small grants to private sector organizations including businesses, foundations, institutions, producer groups, and/or cooperatives. Grants may be made to groups who are implementing their own programs that have goals that support the objectives of this activity, such as an existing producer organization, or private sector company that needs targeted assistance to address a marketing constraint or a cooperative that envisions product diversification and cannot access seed money.

Illustrative Indicators:

- Increased sales by a minimum of \$__ over the life of project for a minimum of __SMEs/beneficiaries in targeted sectors and regions
- A minimum of ____ new jobs created (jobs should be longer than three months)
- A minimum of ____ households benefitted by 25 percent income growth over the initial benchmark levels
- Improved beneficiaries capacity conduct business planning
- Improved beneficiaries business operations, management, and marketing practices
- Internationally recognized standards to support improvement in the delivery of quality products to local, regional, and international markets adopted and implemented
- Sales to new markets created or expanded
- Linkages and communications between SME networks, their suppliers and other key stakeholders established and strengthened;
- Networks, innovative partnerships, and alliances within the regions to address identified gaps and promote growth (this may include support for cooperatives) created and/or expanded;
- Improved capacity of beneficiary communities for managing variability and transitioning to more sustainable development;
- Increased perceptions, within targeted communities, that consensus-building processes of sectoral or community associations are addressing their interests and concerns.

Indicators identified in the CDCS:

- Agriculture value added (% of GDP);
- Level of domestic and export sales in assisted sub-sectors (dried fruit, wine, etc.);
- Level of revenue generated by the assisted companies in rural communities;
- Export share of GDP.

A. Coordination with Key Stakeholders and Other Implementers

Relationships with Other Donors and Key Stakeholders – USAID/Armenia highly prioritizes coordination of development interventions and expects applicants to demonstrate the commitment, capacity and mechanisms to proactively coordinate efforts with key actors in the area of Rural Economic Development and Agriculture and with other relevant stakeholders.

Coordination with Other USAID/Armenia Implementers – As specified in the Operating Principles section above, the activity is expected to closely coordinate with other USAID-supported activities focusing on different priority areas, specifically Local Government Reform of Armenia (LGRA), the My Armenia tourism development project, etc. These include but are not limited to the following USAID/Armenia activities:

- **LGRA** – Providing equipment and improving infrastructure in targeted communities will support and create a real opportunity to more closely align public and private sector initiatives to complement and leverage each other.
- **My Armenia** – with this activity the cooperation will be mainly focused on rural hospitality, Food & Beverages, Farm-to-Table etc. (but not B&B/homestay).
- **PURE and ASPIRED** – cooperation with RED-NEO will be considered for the

locations/communities where PURE/ASPIRED will support irrigation related issues.

B. Performance Monitoring, Evaluation and Learning

Monitoring and Evaluation – Applicants will develop a Performance Monitoring Plan (PMP) to rigorously and credibly document the activity’s effectiveness and to learn from accomplished work and results. This entails identifying indicators that correspond to and can be attributable to programmatic intervention and different levels of results, identifying means of verification, as well as establishing baseline measurements and targets to assess the performance of proposed interventions. The PMP will elaborate the methods and assessment tools the applicant will use for collecting, monitoring, analyzing, reporting and maintaining the data. Significant attention is required to ensure that baseline data are collected early in the project lifespan and can be replicated toward the conclusion of implementation to assess progress toward results.

External Evaluation – USAID is planning to conduct a mid-term external performance evaluation of this activity to evaluate: (1) the relevance of the activity vis-à-vis USAID/Armenia’s priorities; (2) the relevance of the approach to the current Armenian context; and (3) the performance of the implementer. Continuation of the activity will be contingent upon the positive determination of the evaluation.

SECTION B: FEDERAL AWARD INFORMATION

B.1 ESTIMATE OF FUNDS AVAILABLE AND NUMBER OF AWARDS CONTEMPLATED

USAID intends to award one Cooperative Agreement pursuant to this notice of funding opportunity. Subject to funding availability and at the discretion of the Agency, USAID intends to provide \$4,000,000.00 in total USAID funding over a five-year year period.

B.2 START DATE AND PERIOD OF PERFORMANCE FOR FEDERAL AWARDS

The anticipated period of performance is five (5) years. The estimated start date will be the award date of the Cooperative Agreement.

B.3 SUBSTANTIAL INVOLVEMENT

Substantial involvement during the implementation of this Agreement will be limited to approval of the elements listed below:

a. Approval of Recipient Implementation Plans.

On an annual basis, the recipient shall prepare and provide for USAID's approval an annual implementation plan. The initial implementation plan for the first year of activities will be submitted as part of the applicant's technical proposal. Project proposals should include an initial outline of activities that would be implemented during the first six months of the program. The applicant will be expected to provide a detailed plan for the implementation of sub-grant projects for USAID review and approval following cooperative agreement award. This more detailed list of projects for the first year of the program should be proposed after employing a competitive approach for project selection. This list should be developed within the first four months of the project. Another competitive round of projects will be selected for implementation in the second year. Any changes in the initial work plan will require additional approval.

b. Approval of the recipient's monitoring, evaluation and learning (MEL) plans: USAID will review and approve the recipient's MEL plan. The MEL plan should be clearly linked to the achievement of USAID's intermediate results, and should track program impact on men and women and communities as a whole. All people-level data should be accumulated and disaggregated by gender.

c. Ongoing monitoring of program implementation: USAID will consistently and regularly monitor program performance to ensure compliance and complementarities of activities with other ongoing USAID-supported programs. USAID will monitor sub-grant project activities to ensure program objectives are being met.

d. Approval of specified key personnel assigned to the positions listed below. The personnel currently listed have been approved. All changes thereto must be submitted for the approval by the Agreement Officer Representative.

COP:	Name: [NAME]
Project Coordinator:	Name: [NAME]
Grants Manager:	Name: [NAME]

- e. Agency and recipient collaboration or joint participation.
- f. Agency Authority to immediately halt a construction activity.

Works, materials and equipment used under sub-grant projects must meet the requirements of the RA standards for construction, environment, health and safety. USAID specific requirements for environment, health and safety also have to be met. The Agreement Officer (AO) may immediately halt construction if identified specifications/standards are not met or if determined that conditions warrant immediate corrective action.

B.4 AUTHORIZED GEOGRAPHIC CODE

The geographic code for the procurement of commodities and services under this program is 937 and 110.

B.5 NATURE OF THE RELATIONSHIP BETWEEN USAID AND THE RECIPIENT

The principal purpose of the relationship with the Recipient and under the subject program is to transfer funds to accomplish a public purpose of support or stimulation of the Armenia Rural Economic Development – New Economic Opportunities (RED-NEO) which is authorized by Federal statute. The successful Recipient will be responsible for ensuring the achievement of the program objectives and the efficient and effective administration of the award through the application of sound management practices. The Recipient will assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

SECTION C: ELIGIBILITY INFORMATION

C.1 ELIGIBLE APPLICANTS

Eligibility for this NOFO is restricted to local Armenian organizations.

Only local Armenian organizations as defined below are eligible for award. USAID defines a “local entity” as an individual, a corporation, a nonprofit organization, or another body of persons that:

- (1) Is legally organized under the laws of Republic of Armenia; and
- (2) Has as its principal place of business or operations in Armenia; and
- (3) Is majority owned by individuals who are citizens or lawful permanent residents of the Republic of Armenia; and
- (4) Is managed by a governing body the majority of who are citizens or lawful permanent residents of the country receiving assistance.

For purposes of this section, ‘majority owned’ and ‘managed by’ include, without limitation, beneficiary interests and the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the organization's managers or a majority of the organization's governing body by any means.

These eligibility requirements apply to the principal applicant.

USAID welcomes applications from organizations that have not previously received financial assistance from USAID.

C.2 COST SHARING OR MATCHING

USAID has established a minimum recipient cost share of 5% of projected award amount for the award. Such funds may be provided directly by the recipient; other multilateral, bilateral, and foundation donors; host governments; and local organizations, communities and private businesses that contribute financially and in-kind to implementation of activities at the country level. This may include contribution of staff level of effort, office space or other facilities or equipment which may be used for the program, provided by the recipient. For guidance on cost sharing in grants and cooperative agreements see 2 CFR 200.306.

C.3 OTHER

USAID/Armenia anticipates that an applicant may submit only one application under this notice

of funding opportunity. However, an organization may submit an application as a prime recipient and be proposed as a sub recipient under a different application.

In support of the Agency’s interest in fostering a larger assistance base and expanding the number and sustainability of development partners, USAID encourages applications from potential new local partners.

When considering making an award to a potential partner with limited or no previous USAID experience, USAID will undertake necessary pre-award reviews to determine the organization’s “responsibility” as discussed below. The resultant award to this organization may take some time. The applicant should take this into account and plan their implementation dates and activities accordingly. USAID reserves the right to perform pre-award reviews for local partners, regardless of prior experience with USAID or similarly situated international donors.

“Responsibility” of Applicant

In order for an award to be made, the Agreement Officer must make an affirmative determination that the applicant is “responsible”. A positive responsibility determination means that the applicant possesses or has the ability to obtain the necessary management and technical competence to plan and carry out the program to be funded, and that the applicant will practice mutually agreed upon methods of accountability for funds and other assets provided by USAID.

Other Eligibility Criteria

All eligible local organizations may apply. Applicants may be local non-governmental organizations (NGO) and private for-profit companies willing to forego profit. Potential local private for-profit applicants should note that the payment of fee/profit to the prime recipient under grants and cooperative agreements is not allowed. Applications from Armenian organizations which are partnered with non-Armenian organizations will be eligible for consideration under this RFA provided the Armenian organization performs greater than fifty (50) percent of the award.

To be considered eligible to apply under this RFA, the local organization must satisfy all conditions below:

- Be organized under Armenian laws;
- Have its principal place of business in the Armenia;
- Be majority owned by individuals who are Armenian citizens or lawful permanent residents of the Armenia or be managed by a governing body, the majority of whom are Armenian citizens or lawful permanent residents of the Armenia and;
- Not be controlled by a foreign entity or by an individual or individuals who are not citizens or permanent residents of the Armenia.

The term “controlled by” means a majority ownership or beneficiary interest as defined above , or the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the organization’s managers or a majority of the organization’s governing body by any means, e.g., ownership, contract, or operation of law.

“Foreign entity” means an organization that fails to meet any part of the “local organization”

definition. Government controlled and government owned organizations in which the recipient government owns a majority interest or in which the majority of a governing body are government employees, are included in the above definition of local organization. USAID will not accept applications from individuals.

SECTION D: APPLICATION AND SUBMISSION INFORMATION

D.1 AGENCY POINT OF CONTACT

The Agreement Officer for the resultant award is:

Name: Rebecca White
Title: Agreement Officer
Email: rwhite@usaid.gov
Tel: 202-216-6272
Mail Address: USAID/Caucasus
U.S. Embassy in Georgia
29 Georgian-American Friendship Avenue
Didi Dighomi
Tbilisi, Georgia 0131

The Acquisition and Assistance Specialist is:

Name: Armen Yeghiazarian
Title: Senior Assistance Specialist
Email: ayeghiazarian@usaid.gov
Tel: +37410 494-466
Mail Address: USAID/Armenia
1 American avenue
Yerevan 0082, Armenia

D.2 QUESTIONS AND ANSWERS

Questions regarding this NOFO should be submitted to Armen Yeghiazarian with cc to Rebecca White to the e-mail addresses above no later than the date and time indicated on the cover letter. Any information given to a prospective applicant concerning this NOFO will be furnished promptly to all other prospective applicants as an amendment to this NOFO, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicant.

D.3 GENERAL CONTENT AND FORM OF APPLICATION

Preparation of Applications:

Each applicant must furnish the information required by this NOFO. Applications must be submitted in two separate parts: the Technical Application and the Business (Cost) Application. This subsection addresses general content requirements applying to the full application. Please see subsections 5 and 6, below, for information on the content specific to the Technical and Business (Cost) applications. The Technical application must address technical aspects only while the Business (Cost) Application must present the costs, and address risk and other related issues.

Both the Technical and Business (Cost) Applications must include a cover page containing the following information:

- Name of the organization(s) submitting the application;
- Identification and signature of the primary contact person (by name, title, organization, mailing address, telephone number and email address) and the identification of the alternate contact person (by name, title, organization, mailing address, telephone number and email address);
- Program name
- Notice of Funding Opportunity number
- Name of any proposed sub-recipients or partnerships (identify if any of the organizations are local organizations, per USAID's definition of 'local entity' under ADS 303.

Any erasures or other changes to the application must be initialed by the person signing the application. Applications signed by an agent on behalf of the applicant must be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.

Applicants may choose to submit a cover letter in addition to the cover pages, but it will serve only as a transmittal letter to the Agreement Officer. The cover letter will not be reviewed as part of the merit review criteria.

Applications must comply with the following:

- USAID will not review any pages in excess of the page limits noted in the subsequent sections. Please ensure that applications comply with the page limitations.
- Written in English.
- Use standard 8 ½" x 11", single sided, single-spaced, 12 point Times New Roman font, 1" margins, left justification and headers and/or footers on each page including consecutive page numbers, date of submission, and applicant's name.
- 10 point font can be used for graphs and charts. Tables however, must comply with the 12 point Times New Roman requirement.
- Submitted via Microsoft Word or PDF formats, except budget files which must be submitted in Microsoft Excel.
- The estimated start date identified in Section B of this NOFO must be used in the cost application.
- The technical application must be a searchable and editable Word or PDF format as appropriate.
- The Cost Schedule must include an Excel spreadsheet with all cells unlocked and no hidden formulas or sheets. A PDF version of the Excel spreadsheet may be submitted in addition to the Excel version at the applicant's discretion, however, the official cost application submission is the unlocked Excel version.

Applicants must review, understand, and comply with all aspects of this NOFO. Failure to do so may be considered as being non-responsive and may be evaluated accordingly. Applicants should

retain a copy of the application and all enclosures for their records.

D.4 APPLICATION SUBMISSION PROCEDURES

Applications in response to this NOFO must be submitted no later than the closing date and time indicated on the cover letter, as amended. Late applications will not be reviewed nor considered. Applicants must retain proof of timely delivery in the form of system generated documentation of delivery receipt date and time/confirmation from the receiving office/certified mail receipt.

Applications must be submitted by email to Armen Yeghiazarian at ayeghiazarian@usaid.gov and to Narine Sarkisian at nsarkisian@usaid.gov. Email submissions must include the NOFO number and applicant's name in the subject line heading. In addition, for an application sent by multiple emails, the subject line must also indicate whether the email relates to the technical or cost application, and the desired sequence of the emails and their attachments (e.g. "No. 1 of 4", etc.). For example, if your cost application is being sent in two emails, the first email should have a subject line that states: "[NOFO number], [organization name], Cost Application, Part 1 of 2".

USAID's preference is that the technical application and the cost application each be submitted as consolidated email attachments, e.g. that you consolidate the various parts of a technical application into a single document before sending it. If this is not possible, please provide instructions on how to collate the attachments. USAID will not be responsible for errors in compiling electronic applications if no instructions are provided or are unclear.

After submitting an application electronically, applicants should immediately check their own email to confirm that the attachments were indeed sent. If an applicant discovers an error in transmission, please send the material again and note in the subject line of the email or indicate in the file name if submitted via grants.gov that it is a "corrected" submission. Do not send the same email more than once unless there has been a change, and if so, please note that it is a "corrected" email.

Applicants are reminded that e-mail is NOT instantaneous, and in some cases delays of several hours occur from transmission to receipt. Therefore, applicants are requested to send the application in sufficient time ahead of the deadline. For this NOFO, the initial point of entry to the government infrastructure is the USAID mail server.

There may be a problem with the receipt of *.zip files due to anti-virus software. Therefore, applicants are discouraged from sending files in this format as USAID/Armenia cannot guarantee their acceptance by the internet server. The total size of attached files to a single email must not exceed 25Mbt.

D.5 TECHNICAL APPLICATION FORMAT

The technical application should be specific, complete, and presented concisely. The application

must demonstrate the applicant's capabilities and expertise with respect to achieving the goals of this program. The application should take into account the requirements of the program and merit review criteria found in this NOFO.

- (a) Cover Page (One Page)** - To include the names of the organizations/institutions involved in the proposed application and the lead or primary applicant clearly identified. Any proposed sub grantees (hereafter referred to as the “subs”) should be listed separately; including a brief narrative describing the unique capacities/skills brought to the program by each sub. In addition, the Cover Page should provide a contact person for the prime applicant, including this individual’s name (both typed and his/her signature), title or position with the organization/institution, address, telephone and fax numbers. State whether the contact person is the person with authority to contract for the applicant, and if not, that person should also be listed.
- (b) Table of Contents** - Include major sections and page numbering to easily cross-reference and identify merit review criteria.
- (c) Executive Summary (One page)** - The Executive Summary must provide a high-level overview of key elements of the Technical Application and summarize the key elements of the applicant’s strategy, approach, and implementation plan.
- (d) Technical Approach (no more than 10 pages)** - Include a description of the types of activities that will be undertaken to achieve the proposed objectives, a general timeline, and how the proposed activities are expected to achieve the objectives outlined in the purpose section of this NOFO. The narrative should be brief, concise and provide a clear description of what the applicant proposes to do, where, why, when, how and by whom.
- (e) Management Approach and Staffing Plan (no more than 5 pages)** - Include a description of the proposed program management approach and structure, an organizational chart with roles and responsibilities of personnel and reporting relationships; a MEL (monitoring, evaluation and learning) plan; teaming arrangements with identified roles and responsibilities; a description of the proposed staffing plan and resumes of the proposed key personnel, including commitment letters. Resumes and commitment letters should be included as annexes and are not subject to page limitation. In addition to key personnel positions (COP, Project Coordinator, Grants Manager) identified in Substantial Involvement Section B.3 of the NOFO applicants are free to propose additional key personnel.
- (f) Institutional Capacity and Past Performance (no more than 5 pages)** – Include a description of experience and expertise of the primary awardee and any sub-awardees in relation to the PD of this NOFO for the past three (3) years.

D.6 BUSINESS (COST) APPLICATION FORMAT

The Business (Cost) Application must be submitted separately from the Technical Application. While no page limit exists for the full cost application, applicants are encouraged to be as concise

as possible while still providing the necessary details. The business (cost) application must illustrate the entire period of performance, using the budget format shown in the SF-424A.

Prior to award, applicants may be required to submit additional documentation deemed necessary for the Agreement Officer to assess the applicant's risk in accordance with 2 CFR 200.205. Applicants should not submit any additional information with their initial application.

The Cost Application must contain the following sections (which are further elaborated below this listing with the letters for each requirement):

a) Cover Page (See Section D.3 above for requirements)

b) SF 424 Form(s)

The applicant must sign and submit the cost application using the SF-424 series. Standard Forms can be accessed electronically at www.grants.gov or using the following links:

Instructions for SF-424	http://www.grants.gov/web/grants/form-instructions/sf-424-instructions.html
Application for Federal Assistance (SF-424)	https://www.grants.gov/web/grants/forms/sf-424-family.html
Instructions for SF-424A	http://www.grants.gov/web/grants/form-instructions/sf-424a-instructions.html
Budget Information (SF-424A)	https://www.grants.gov/web/grants/forms/sf-424-family.html
Instructions for SF-424B	http://www.grants.gov/web/grants/form-instructions/sf-424b-instructions.html
Assurances (SF-424B)	https://www.grants.gov/web/grants/forms/sf-424-family.html

Failure to accurately complete these forms could result in the rejection of the application.

c) Required Certifications and Assurances

The applicant must complete the following documents and submit a signed copy with their application:

- (1) "Certifications, Assurances, Representations, and Other Statements of the Recipient" document found at <http://www.usaid.gov/sites/default/files/documents/1868/303mav.pdf>
- (2) Assurances for Non-Construction Programs (SF-424B)
- (3) Certificate of Compliance: Please submit a copy of your Certificate of Compliance if your organization's systems have been certified by USAID/Washington's Office of Acquisition and Assistance (M/OAA).

d) Budget and Budget Narrative

The Budget must be submitted as one unprotected Excel file (MS Office 2000 or later versions) with visible formulas and references and must be broken out by project year, including itemization of the federal and non-federal (cost share) amount. Files must not contain any hidden or otherwise inaccessible cells. Budgets with hidden cells lengthen the cost analysis time required to make award, and may result in a rejection of the cost application. The Budget Narrative must contain sufficient detail to allow USAID to understand the proposed costs. The applicant must ensure the budgeted costs address any additional requirements identified in Section F, such as Branding and Marking. The Budget Narrative must be thorough, including sources for costs to support USAID's determination that the proposed costs are fair and reasonable.

The Budget must include the following worksheets or tabs, and contents, at a minimum:

- Summary Budget, inclusive of all program costs (federal and non-federal), broken out by major budget category and by year for activities implemented by the applicant and any potential sub-applicants for the entire period of the program. See Section H, Annex 1 for Summary Budget Template
- Detailed Budget, including a breakdown by year, sufficient to allow the Agency to determine that the costs represent a realistic and efficient use of funding to implement the applicant's program and are allowable in accordance with the cost principles found in 2 CFR 200 Subpart E.
- Detailed Budgets for each sub-recipient, for all federal funding and cost share, broken out by budget category and by year, for the entire implementation period of the project.

The Detailed Budget must contain the following budget categories and information, at a minimum:

- 1) Salaries and Allowances – Must be proposed consistent with 2 CFR 200.430 Compensation - Personal Services. The applicant's budget must include position title, salary rate, level of effort, and salary escalation factors for each position. Allowances, when proposed, must be broken down by specific type and by position. Applicants must explain all assumptions in the Budget Narrative. The Budget Narrative must demonstrate that the proposed compensation is reasonable for the services rendered and consistent with what is paid for similar work in other activities of the applicant. Applicants must provide their established written policies on personnel compensation. If the applicant's written policies do not address a specific element of compensation that is being proposed, the Budget Narrative must describe the rationale used and supporting market research.
- 2) Fringe Benefits – (if applicable) If the applicant has a fringe benefit rate approved by an agency of the U.S. Government, the applicant must use such rate and provide evidence of its approval. If an applicant does not have a fringe benefit rate approved, the applicant must propose a rate and explain how the applicant determined the rate. In this case, the Budget Narrative must include a detailed breakdown comprised of all items of fringe benefits (e.g., superannuation, gratuity, etc.) and the costs of each, expressed in U.S. dollars and as a percentage of salaries.

- 3) Travel and Transportation – Provide details to explain the purpose of the trips, the number of trips, the origin and destination, the number of individuals traveling, and the duration of the trips. Per Diem and associated travel costs must be based on the applicant’s normal travel policies. When appropriate please provide supporting documentation as an attachment, such as company travel policy, and explain assumptions in the Budget Narrative.
- 4) Procurement or Rental of Goods (Equipment & Supplies), Services, and Real Property – Must include information on estimated types of equipment, models, supplies and the cost per unit and quantity. The Budget Narrative must include the purpose of the equipment and supplies and the basis for the estimates. The Budget Narrative must support the necessity of any rental costs and reasonableness in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.
- 5) Subawards – Specify the budget for the portion of the program to be passed through to any subrecipients. See 2 CFR 200.330 for assistance in determining whether the sub-tier entity is a subrecipient or contractor. The subrecipient budgets must align with the same requirements as the applicant’s budget, including those related to fringe and indirect costs.
- 6) Other Direct Costs – This may include other costs not elsewhere specified, such as report preparation costs, passports and visas fees, medical exams and inoculations, as well as any other miscellaneous costs which directly benefit the program proposed by the applicant. The applicant should indicate the subject, venue and duration of any proposed conferences and seminars, and their relationship to the objectives of the program, along with estimates of costs. Otherwise, the narrative should be minimal.
- 8) Indirect Costs – Applicants must indicate whether they are proposing indirect costs or will charge all costs directly. In order to better understand indirect costs please see Subpart E of 2 CFR 200.414. The application must identify which approach they are requesting and provide the applicable supporting information. Below are the most commonly used Indirect Cost Rate methods:

Method 1 - Direct Charge Only

Eligibility: Any applicant

Initial Application Requirements: See above on direct costs

Method 2 - Negotiated Indirect Cost Rate Agreement (NICRA)

Eligibility: Any applicant with a NICRA issued by a USG Agency must use that NICRA

Initial Application Requirements: If the applicant has a current NICRA, submit your approved NICRA and the associated disclosed practices. If your NICRA was issued by an Agency other than USAID, provide the contact information for the approving Agency. Additionally, at the Agency’s discretion, a provisional rate may be set forth in the award subject to audit and finalization. See USAID’s Indirect Cost Rate Guide for Non Profit Organizations for further guidance.

Method 3 - De minimis rate of 10% of modified total direct costs (MTDC)

Eligibility: Any applicant that has never received a NICRA

Initial Application Requirements: Costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate an indirect rate, which the non-Federal entity may apply to do at any time. The applicant must describe which cost elements it charges indirectly vs. directly. See 2 CFR 200.414(f) for further information.

Method 4 - Indirect Costs Charged As A Fixed Amount

Eligibility: Non U.S. non-profit organizations without a NICRA may request, but approval is at the discretion of the AO

Initial Application Requirements: Provide the proposed fixed amount and a worksheet that includes the following:

- Total costs incurred by the organization for the previous fiscal year and estimates for the current year.
- Indirect costs (common costs that benefit the day-to-day operations of the organization, including categories such as salaries and expenses of executive officers, personnel administration, and accounting, or that benefit and are identifiable to more than one program or activity, such as depreciation, rental costs, operations and maintenance of facilities, and telephone expenses) for the previous fiscal year and estimates for the current year
- Proposed method for prorating the indirect costs equitably and consistently across all programs and activities of using a base that measures the benefits of that particular cost to each program or activity to which the cost applies.

If the applicant does not have an approved NICRA and does not elect to utilize the 10% de minimis rate, the Agreement Officer will provide further instructions and may request additional supporting information, including financial statements and audits, should the application still be under consideration after the merit review. USAID is under no obligation to approve the applicant's requested method.

- 9) Cost Sharing – The applicant should estimate the amount of cost-sharing resources to be provided over the life of the agreement and specify the sources of such resources, and the basis of calculation in the budget narrative. Applicants should also provide a breakdown of the cost share (financial and in-kind contributions) of all organizations involved in implementing the resulting award.

e) Prior Approvals in accordance with 2 CFR 200.407

Inclusion of an item of cost in the detailed application budget does not satisfy any requirements for prior approval by the Agency. If the applicant would like the award to reflect approval of any cost elements for which prior written approval is specifically required for allowability, the applicant must specify and justify that cost. See 2 CFR 200.407 for information regarding which cost elements require prior written approval.

f) Approval of Subawards

The applicant must submit information for all subawards that it wishes to have approved at the time of award. For each proposed subaward the applicant must provide the following:

- Name of organization
- DUNS Number
- Confirmation that the subrecipient does not appear on the Treasury Department's Office of Foreign Assets Control (OFAC) list
- Confirmation that the subrecipient does not have active exclusions in the System for Award Management (SAM)
- Confirmation that the subrecipient is not listed in the United Nations Security designation list
- Confirmation that the subrecipient is not suspended or debarred
- Confirmation that the applicant has completed a risk assessment of the subrecipient, in accordance with 2 CFR 200.331(b)
- Any negative findings as a result of the risk assessment and the applicant's plan for mitigation.

g) Dun and Bradstreet and SAM Requirements

USAID may not award to an applicant unless the applicant has complied with all applicable unique entity identifier (DUNS number) and System for Award Management (SAM) requirements. Each applicant (unless the applicant is an individual or Federal awarding agency that is exempted from requirements under 2 CFR 25.110(b) or (c), or has an exception approved by the Federal awarding agency under 2 CFR 25.110(d)) is required to:

1. Provide a valid DUNS number for the applicant and all proposed sub-recipients;
2. Be registered in SAM before submitting its application. SAM is streamlining processes, eliminating the need to enter the same data multiple times, and consolidating hosting to make the process of doing business with the government more efficient (www.sam.gov).
3. Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

The registration process may take many weeks to complete. Therefore, applicants are encouraged to begin the process early. If an applicant has not fully complied with the requirements above by the time USAID is ready to make an award, USAID may determine that the applicant is not qualified to receive an award and use that determination as a basis for making an award to another applicant.

DUNS number: <http://fedgov.dnb.com/webform>

SAM registration: <http://www.sam.gov>

Non-U.S. applicants can find additional resources for registering in SAM, including a Quick Start Guide and a video on how to obtain an NCAGE code, on www.sam.gov, navigate to Help, then to

International Registrants.

D.7 HISTORY OF PERFORMANCE

The applicant must provide information regarding its recent history of performance for all its cost-reimbursement contracts, grants, or cooperative agreements involving similar or related programs, not to exceed three (3) years, as follows:

- Name of the Awarding Organization;
- Award Number;
- Activity Title;
- A brief description of the activity;
- Period of Performance;
- Award Amount;
- Reports and findings from any audits performed in the last three (3) years; and
- Name of at least two (2) updated professional contacts who most directly observed the work at the organization for which the service was performed with complete current contact information including telephone number, and e-mail address for each proposed individual.

If the applicant encountered problems on any of the referenced Awards, it may provide a short explanation and the corrective action taken. The applicant should not provide general information on its performance. USAID reserves the right to obtain relevant information concerning an applicant's history of performance from any sources and may consider such information in its review of the applicant's risk. The Agency may request additional information and conduct a pre-award survey if it determines that it is necessary to inform the risk assessment.

D.8 BRANDING STRATEGY & MARKING PLAN

The apparently successful applicant will be asked to provide a Branding Strategy and Marking Plan to be evaluated and approved by the Agreement Officer and incorporated into any resulting award

1. Branding Strategy – Assistance (June 2012)

- a. Applicants recommended for an assistance award must submit and negotiate a "Branding Strategy," describing how the program, project, or activity is named and positioned, and how it is promoted and communicated to beneficiaries and host country citizens.
- b. The request for a Branding Strategy, by the Agreement Officer from the applicant, confers no rights to the applicant and constitutes no USAID commitment to an award.
- c. Failure to submit and negotiate a Branding Strategy within the time frame specified by the Agreement Officer will make the applicant ineligible for an award.

d. The applicant must include all estimated costs associated with branding and marking USAID programs, such as plaques, stickers, banners, press events, materials, and so forth, in the budget portion of the application. These costs are subject to the revision and negotiation with the Agreement Officer and will be incorporated into the Total Estimated Amount of the grant, cooperative agreement or other assistance instrument.

e. The Branding Strategy must include, at a minimum, all of the following:

(1) All estimated costs associated with branding and marking USAID programs, such as plaques, stickers, banners, press events, materials, and so forth.

(2) The intended name of the program, project, or activity.

(i) USAID requires the applicant to use the “USAID Identity,” comprised of the USAID logo and brandmark, with the tagline “from the American people” as found on the USAID Web site at <http://www.usaid.gov/branding>, unless Section VI of the RFA or APS states that the USAID Administrator has approved the use of an additional or substitute logo, seal, or tagline.

(ii) USAID prefers local language translations of the phrase “made possible by (or with) the generous support of the American People” next to the USAID Identity when acknowledging contributions.

(iii) It is acceptable to cobrand the title with the USAID Identity and the applicant's identity.

(iv) If branding in the above manner is inappropriate or not possible, the applicant must explain how USAID's involvement will be showcased during publicity for the program or project.

(v) USAID prefers to fund projects that do not have a separate logo or identity that competes with the USAID Identity. If there is a plan to develop a separate logo to consistently identify this program, the applicant must attach a copy of the proposed logos. Section VI of the RFA or APS will state if an Administrator approved the use of an additional or substitute logo, seal, or tagline.

(3) The intended primary and secondary audiences for this project or program, including direct beneficiaries and any special target segments.

(4) Planned communication or program materials used to explain or market the program to beneficiaries.

(i) Describe the main program message.

(ii) Provide plans for training materials, posters, pamphlets, public service announcement, billboards, Web sites, and so forth, as appropriate.

(iii) Provide any plans to announce and promote publicly this program or project to host country citizens, such as media releases, press conferences, public events, and so forth. Applicant must incorporate the USAID Identity and the message, “USAID is from the American People.”

(iv) Provide any additional ideas to increase awareness that the American people support this project or program.

- (5) Information on any direct involvement from host-country government or ministry, including any planned acknowledgement of the host-country government.
 - (6) Any other groups whose logo or identity the applicant will use on program materials and related materials. Indicate if they are a donor or why they will be visibly acknowledged, and if they will receive the same prominence as USAID.
- e. The Agreement Officer will review the Branding Strategy to ensure the above information is adequately included and consistent with the stated objectives of the award, the applicant's cost data submissions, and the performance plan.
- f. If the applicant receives an assistance award, the Branding Strategy will be
2. Marking Plan – Assistance (June 2012)
- a. Applicants recommended for an assistance award must submit and negotiate a “Marking Plan,” detailing the public communications, commodities, and program materials, and other items that will visibly bear the “USAID Identity,” which comprises of the USAID logo and brandmark, with the tagline “from the American people.” The USAID Identity is the official marking for the Agency, and is found on the USAID Web site at <http://www.usaid.gov/branding>. Section VI of the RFA or APS will state if an Administrator approved the use of an additional or substitute logo, seal, or tagline.
- b. The request for a Marking Plan, by the Agreement Officer from the applicant, confers no rights to the applicant and constitutes no USAID commitment to an award.
- c. Failure to submit and negotiate a Marking Plan within the time frame specified by the Agreement Officer will make the applicant ineligible for an award.
- d. The applicant must include all estimated costs associated with branding and marking USAID programs, such as plaques, stickers, banners, press events, materials, and so forth, in the budget portion of the application. These costs are subject to the revision and negotiation with the Agreement Officer and will be incorporated into the Total Estimated Amount of the grant, cooperative agreement or other assistance instrument.
- e. The Marking Plan must include all of the following:
- (1) A description of the public communications, commodities, and program materials that the applicant plans to produce and which will bear the USAID Identity as part of the award, including:
 - (i) Program, project, or activity sites funded by USAID, including visible infrastructure projects or other sites physical in nature;
 - (ii) Technical assistance, studies, reports, papers, publications, audiovisual productions, public service announcements, Web sites/Internet activities, promotional, informational, media, or communications products funded by USAID;
 - (iii) Commodities, equipment, supplies, and other materials funded by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief

programs; and

(iv) It is acceptable to cobrand the title with the USAID Identity and the applicant's identity.

(v) Events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities. If the USAID Identity cannot be displayed, the recipient is encouraged to otherwise acknowledge USAID and the support of the American people.

(2) A table on the program deliverables with the following details:

(i) The program deliverables that the applicant plans to mark with the USAID Identity;

(ii) The type of marking and what materials the applicant will use to mark the program deliverables;

(iii) When in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking;

(iv) What program deliverables the applicant does not plan to mark with the USAID Identity, and

(v) The rationale for not marking program deliverables.

(3) Any requests for an exemption from USAID marking requirements, and an explanation of why the exemption would apply. The applicant may request an exemption if USAID marking requirements would:

(i) Compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials. The applicant must identify the USAID Development Objective, Interim Result, or program goal furthered by an appearance of neutrality, or state why an aspect of the award is presumptively neutral. Identify by category or deliverable item, examples of material for which an exemption is sought.

(ii) Diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent. The applicant must explain why each particular deliverable must be seen as credible.

(iii) Undercut host-country government "ownership" of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications. The applicant must explain why each particular item or product is better positioned as host-country government item or product.

(iv) Impair the functionality of an item. The applicant must explain how marking the item or commodity would impair its functionality.

(v) Incur substantial costs or be impractical. The applicant must explain why marking would not be cost beneficial or practical.

(vi) Offend local cultural or social norms, or be considered inappropriate. The applicant must identify the relevant norm, and explain why marking would violate that norm or otherwise be inappropriate.

(vii) Conflict with international law. The applicant must identify the applicable international law violated by the marking.

f. The Agreement Officer will consider the Marking Plan's adequacy and reasonableness and will approve or disapprove any exemption requests. The Marking Plan will be reviewed to ensure the

above information is adequately included and consistent with the stated objectives of the award, the applicant's cost data submissions, and the performance plan.

g. If the applicant receives an assistance award, the Marking Plan, including any approved exemptions, will be included in and made part of the resulting grant or cooperative agreement, and will apply for the term of the award unless provided otherwise.

D.9 FUNDING RESTRICTIONS

Profit is not allowable for recipients or subrecipients under this award. See 2 CFR 200.330 for assistance in determining whether a sub-tier entity is a subrecipient or contractor.

Construction will not be authorized under this award.

USAID will not allow the reimbursement of pre-award costs under this award without the explicit written approval of the Agreement Officer.

Except as may be specifically approved in advance by the AO, all commodities and services that will be reimbursed by USAID under this award must be from the authorized geographic code specified in Section B.4 of this NOFO and must meet the source and nationality requirements set forth in 22 CFR 228.

SECTION E: APPLICATION REVIEW INFORMATION

E.1 CRITERIA

The merit review criteria prescribed here are tailored to the requirements of this particular NOFO. Applicants should note that these criteria serve to: (a) identify the significant matters which the applicants should address in their applications, and (b) set the standard against which all applications will be evaluated.

Technical and other factors will be evaluated relative to each other, as described here and prescribed by the Technical Application Format. The Technical Application will be scored by a Selection Committee (SC) using the criteria described in this section.

E.2 REVIEW AND SELECTION PROCESS

a) Merit Review

USAID will conduct a merit review of all applications received that comply with the instructions in this NOFO. Applications will be reviewed and evaluated in accordance with the following criteria shown below. All criteria are weighted equally.

- 1. Technical Approach:** USAID will evaluate the extent to which the proposed technical approach is likely to achieve the stated objectives for each component and is clearly aligned with GoAM priorities. Also, consideration will be given to the application that incorporates lessons learned from similar programs and activities and how proposed activities build on the applicant's prior experience.

Particularly, USAID will evaluate the extent to which the technical approach demonstrates an efficient, logical, innovative, sustainable, well-conceived, and technically appropriate approach for the rural Armenian context to support improved outcomes, the extent to which the applicant's program description sets forth a clear and technically sound course of action to achieve the project objectives and anticipated results. Further consideration will be given to applicants who are capable of achieving results through work with rural businesses, cooperatives and rural communities, and other organizations, the extent to which the proposed technical approach will meaningfully address strategic development principles, including programmatic sustainability; as well as cross-cutting issues, including youth, gender, and environmental considerations during program implementation.

- 2. Management Approach and Staffing Plan:**

USAID will evaluate the extent to which the program management approach and structure will support the technical approach to achieve results, including: clarity and feasibility of the proposed program management structure as reflected in an organizational chart; clarity of roles and responsibilities of personnel and reporting relationships; MEL (monitoring, evaluation and learning) plan, as related to two project components specified in the PD;

teaming arrangements, including proposed use of local and international counterpart and partner organizations, and other involved donors and agencies, identification of specific roles and responsibilities. Also, USAID will evaluate the adequacy of the staffing plan, including the assigned levels of effort and skill categories of various proposed personnel as they relate to the specific activities and results of the implementation plan; use of qualified local experts and proposed measures to shift more responsibility to local staff over the life of the project, roles and responsibilities of home office staff. Key personnel will be evaluated on their knowledge, skills, and demonstrated abilities in their proposed area of responsibility, as well as experience, expertise and performance of the key personnel in managing complex development programs, and demonstrated prior experience in working with other assistance programs with the same level of complexity and magnitude in areas relevant to the proposed activity.

3. **Institutional Capacity and Past Performance:** The experience and expertise of the primary awardee and any sub-awardees, if proposed, will be taken into account when consortiums are proposed to achieve the specified results. Specifically, USAID will evaluate the primary awardee's and any sub-awardees' capacity in terms of knowledge, technical capacity, experience, and ability to achieve desired results. The applicant must have a minimum of five years of applicable experience in the respective Program areas. Emphasis will be placed on prior achievements in similar programs to that proposed. The Technical Evaluation Committee may contact references other than those provided in the application.

b) Merit Review System

The following adjectival scoring system will be used by the panel to assess each of the technical criteria and sub-criteria and the technical application as a whole:

Outstanding — the application exceeds the fullest expectations of the Government. The applicant has convincingly demonstrated that the evaluation requirements have been analyzed, evaluated, and should result in an outstanding, effective, efficient, and economical performance under the agreement. An assigned rating within “outstanding” indicates that, in terms of the specific factor (or sub factor), the application demonstrates an “outstanding” understanding of the factor, contains essentially no weaknesses, and exceeds the fullest expectations of the Government.

Very Good — the application demonstrates a level of effort that fully meets the evaluation's requirements and that this effort has produced, or could produce, results which should prove to be substantially beneficial to the project. The application may or may not have any weaknesses. Fulfilling the definition of “very good” indicates that, in terms of the specific factor (or sub factor), the application demonstrates a level of effort that fully meets the evaluation's requirements and that this effort has produced, or could produce, results which should prove to be substantially beneficial to the project.

Good — the application meets the requirements. The application may contain weaknesses and/or significant weaknesses that are correctable but no deficiencies. An assigned rating of “good” indicates that, in terms of the specific factor (or sub factor), the application demonstrates a “good” understanding of the factor. If any weaknesses and/or significant weaknesses are noted, they

should not seriously affect the applicant's performance.

Marginal — the application demonstrates a shallow understanding of the requirements and approach and marginally meets the minimum evaluation standard. The application contains weaknesses and/or significant weaknesses and may contain deficiencies. If deficiencies exist, they may be correctable. A rating of "marginal" indicates that, in terms of the specific factor (or sub factor), the application marginally meets the standard for minimal but acceptable performance. The applicant may complete the assigned tasks; however, there is at least a moderate risk that the applicant will not be successful.

Unacceptable — the application fails to meet a minimum requirement or contains a major deficiency or major deficiencies. The application is incomplete, vague, incompatible, incomprehensible, or incorrect as to be unacceptable. The evaluator feels that the deficiency or deficiencies is/are uncorrectable without a major revision of the application. The assignment of a rating within the bounds of "unacceptable" indicates that in terms of the specific factor (or sub factor) the application fails to meet performance or capability standards. The specific factor to be evaluated contains deficiencies.

c) Business Review

The Agency will evaluate the cost application of the applicant(s) under consideration for an award as a result of the merit criteria review to determine whether the costs are allowable in accordance with the cost principles found in 2 CFR 200 Subpart E.

The Agency will also consider (1) the extent of the applicant's understanding of the financial aspects of the program and the applicant's ability to perform the activities within the amount requested; (2) whether the applicant's plans will achieve the program objectives with reasonable economy and efficiency; and (3) whether any special conditions relating to costs should be included in the award.

Proposed cost share, if provided, will be reviewed for compliance with the standards set forth in 2 CFR 200.306, 2 CFR 700.10, and the Standard Provision "Cost Sharing (Matching)" for U.S. entities, or the Standard Provision "Cost Share" for non-U.S. entities.

The AO will perform a risk assessment (2 CFR 200.205). The AO may determine that a pre-award survey is required to inform the risk assessment in determining whether the prospective recipient has the necessary organizational, experience, accounting and operational controls, financial resources, and technical skills – or ability to obtain them – in order to achieve the objectives of the program and comply with the terms and conditions of the award. Depending on the result of the risk assessment, the AO will decide to execute the award, not execute the award, or award with "specific conditions" (2 CFR 200.207).

SECTION F: FEDERAL AWARD ADMINISTRATION INFORMATION

F.1 FEDERAL AWARD NOTICES

Award of the agreement contemplated by this NOFO cannot be made until funds have been appropriated, allocated and committed through internal USAID procedures. While USAID anticipates that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for the award.

The Agreement Officer is the only individual who may legally commit the Government to the expenditure of public funds. No costs chargeable to the proposed Agreement may be incurred before receipt of either a fully executed Agreement or a specific, written authorization from the Agreement Officer.

F.2 ADMINISTRATIVE & NATIONAL POLICY REQUIREMENTS

The resulting award from this NOFO will be administered in accordance with the following policies and regulations.

For Non US organizations: [Standard Provisions for Non-U.S. Non-governmental Organizations](#).

See Annex 2, for a list of the Standard Provisions that will be applicable to any awards resulting from this NOFO.

F.3 REPORTING REQUIREMENTS

Financial Reporting

The recipient must submit the SF- 425 at the same time to the Financial Analyst at vtermargaryan@usaid.gov, the Agreement Officer and the Agreement Officer's Representative (AOR).

Financial Reports shall be in keeping with General Provision "Accounting, Audit, and Records". Advances shall be requested monthly in accordance with the requirements per Payment-Advance (October 1998). At the end of each quarter the recipient shall submit liquidation of advances to liquidate the advances of the previous quarter.

(a) Unless otherwise notified in writing, the Recipient shall submit monthly financial reports to:

Office of Financial and Administrative Management
USAID/Armenia
1 American Avenue
Yerevan 0082, Armenia
armeniapayments@usaid.gov

(b) The Recipient's financial reports shall include expenditures of USAID Cooperative

Agreement funds provided hereunder during the reporting period. The format of the financial reports should follow the line items as established in the Budget.

Performance Reporting

In addition to any reports that may be requested via technical directions under program activities, the recipient shall submit the approval of the USAID Agreement Officer's Representative (AOR) following reports, and when requested, to the USAID/Armenia Agreement Officer.

(i). Annual Work Plan:

At the beginning of each Year, the recipient will submit an annual work plan, outlining activities under the Cooperative Agreement and results to be achieved over the course of the year.

(ii). Monitoring, Evaluation and Learning (MEL) Plan:

At the beginning of each Year, the recipient will submit an annual MEL Plan in conjunction with the annual work plan. Monitoring, evaluation and learning will be an on-going, collaborative process with the participation of the Recipient and USAID. The Recipient will develop and submit, with the Work Plan an overall Monitoring, Evaluation and Learning (MEL) plan to the AOR at USAID for review and approval. The MEL shall track all indicators used in the Recipient's award; applicable standard indicators of the F structure; other activity-specific performance indicators (both input/output and impact) as suggested by the Implementer and/or USAID; project appraisal document (PAD)-level indicators as suggested by USAID; results, milestones, and clearly defined benchmarks including the relevant targets and timeframe; baseline information; performance indicator reference sheets (PIRS) for each indicator tracked; data quality assessment (DQAs) plans; and learning plan. Some of the quantitative and qualitative data included in the MEL plan may be collected in accordance with the award requirements. AOR will work with the Implementer to ensure that the MEL plan is consistent with and meet the data collection needs of the Project MEL Plan and the Mission's Performance Monitoring Plan (PMP), as well as the Performance Plan and Report (PPR). Analysis and review of MEL data will ensure that the MEL effectively captures and adequately measures the expected outputs, results, outcomes, and targeted results of the subject award.

The MEL shall be updated on a quarterly basis and presented to USAID AOR for approval. The Contractor will collect and submit to USAID/Armenia all applicable MEL indicator data (actual results and updated targets, along with justifications and deviation narratives) once per quarter, no later than 30 days after the end of each quarter. PIRS and DQAs for all indicators must be updated as frequently as deemed necessary.

Illustrative performance indicators are provided in the Program Description.

(iii). Quarterly Progress Reports:

The Recipient shall deliver quarterly progress reports to USAID within 15 days from the end of each three month period. The Recipient shall submit 2 copies of a performance report to the AOR, and to the USAID/Armenia Agreement Officer. Electronic submission is acceptable.

USAID/Armenia
1 American Avenue

Yerevan 0082, Armenia

The performance reports shall contain the following information at a minimum:

- a) A brief description of the political context and/or enabling environment of the country in which program activities are implemented. This section may include significant political developments and/or relevant events reported in the press or by local informants which affect the overall implementation environment. This section is important for establishing the overall environment for implementation and is useful for considering how changes in the environment may affect program implementation.
- b) An analytical description of overall program progress towards results. This should not be a description of activities, but rather a broader analysis that examines the progress in the context of program objectives and expected results.
- c) A summary of activities undertaken under the Cooperative Agreement, progress made/results achieved and trends noticed during the reporting period.
- d) Data on all indicators established in monitoring and evaluation plan for the Cooperative Agreement.
- e) A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigators or both. The report must summarize activities undertaken, progress made/results achieved, trends, problems, etc.
- f) Problems encountered, reasons why established goals were not met, if appropriate, and how challenges or problems will be overcome during the next reporting period.
- g) A comparison of actual expenditures with budget estimates, including analysis and explanation of cost overruns or high unit costs, and any other pertinent information.
- h) Priorities for programming during the next reporting period.

Final Report

The Recipient shall submit the original and one copy to USAID/Armenia and one copy to USAID Development Experience Clearinghouse at the following address:

- a) Online: <http://dec.usaid.gov/>
- b) Via mail: Development Experience Clearinghouse, M/CIO/KM, RRB M.01-10, U.S. Agency for International Development, Washington, DC 20523
- c) Or e-mail: docsubmit@usaid.gov

The final performance report shall be submitted no later than 90 calendar days after the expiration of the award and shall contain the following information:

- a) An executive summary of the accomplishments and results achieved.
- b) An overall description of the activities, major accomplishments and results achieved, including results for all of the activities under the Cooperative Agreement.
- c) Final data for all indicators included in the MEL Plan of the Cooperative Agreement.
- d) A summary of problems/ obstacles encountered during the implementation, and how those

obstacles were addressed and overcome if appropriate.

- e) An assessment of performance in accomplishing the program's overall objectives.
- f) Lessons learned, best practices, comments and other findings from the program, along with recommendations for future programming under each of the program objectives.

F.4 ENVIRONMENTAL COMPLIANCE

1a) The Foreign Assistance Act of 1961, as amended, Section 117 requires that the impact of USAID's activities on the environment be considered and that USAID include environmental sustainability as a central consideration in designing and carrying out its development programs. This mandate is codified in Federal Regulations (22 CFR 216) and in USAID's Automated Directives System (ADS) Parts 201.5.10g and 204 (<http://www.usaid.gov/policy/ads/200/>), which, in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities. Recipient environmental compliance obligations under these regulations and procedures are specified in the following paragraphs of this cooperative agreement.

1b) In addition, the recipient must comply with host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter shall govern.

1c) No activity funded under this cooperative agreement will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that activity, as documented in a Request for Categorical Exclusion (RCE), Negative Determination with Conditions, Initial Environmental Examination (IEE), or Environmental Assessment (EA) duly signed by the Bureau Environmental Officer (BEO) on April 29, 2018 (DCN: 2018-ARM-006). (Hereinafter, such documents are described as "approved Regulation 216 environmental documentation.")

4a) As part of its initial Work Plan, and all Annual Work Plans, thereafter, the Recipient in collaboration with the USAID Agreement Officer Representative (AOR) and Mission Environmental Officer, as appropriate, shall review all ongoing and planned activities under this cooperative agreement to determine if they are within the scope of the approved Regulation 216 environmental documentation.

Before initiating any activity in frame of RED-NEO the Recipient needs to update the existing PERSUAP report (<https://ecd.usaid.gov/repository/pdf/42146.pdf>) prepared in frame of USAID-funded Enterprise Development and Market Competitiveness (EDMC) project in 2014 and receive USAID's approval for it.

4b) If the recipient plans any new activities outside the scope of the approved Regulation 216 environmental documentation, it shall prepare an amendment to the documentation for USAID review and approval. No such new activities shall be undertaken prior to receiving written USAID approval of environmental documentation amendments.

4c) Any ongoing activities found to be outside the scope of the approved Regulation 216 environmental documentation shall be halted until an amendment to the documentation is submitted and written approval is received from USAID.

SECTION G: FEDERAL AWARDING AGENCY CONTACT(S)

Questions and requests for clarifications should be addressed to:

Armen Yeghiazarian
Senior Assistance Specialist
Email: ayeghiazarian@usaid.gov
Tel: +37410 494-466
Mail Address: USAID/Armenia
1 American avenue
Yerevan 0082, Armenia

Or

Narine Sarkisian
Assistance Specialist
Email: nsarkisian@usaid.gov
Tel: +37410 494-364
Mail Address: USAID/Armenia
1 American avenue
Yerevan 0082, Armenia

SECTION H: OTHER INFORMATION

USAID reserves the right to fund any or none of the applications submitted. The Agreement Officer is the only individual who may legally commit the Government to the expenditure of public funds. Any award and subsequent incremental funding will be subject to the availability of funds and continued relevance to Agency programming.

Applications with Proprietary Data

Applicants who include data that they do not want disclosed to the public for any purpose or used by the U.S. Government except for evaluation purpose, should mark the cover page with the following:

“This application includes data that must not be disclosed duplicated, used, or disclosed – in whole or in part – for any purpose other than to evaluate this application. If, however, an award is made as a result of – or in connection with – the submission of this data, the U.S. Government will have the right to duplicate, use, or disclose the data to the extent provided in the resulting award. This restriction does not limit the U.S. Government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets {insert sheet numbers}.”

Additionally, the applicant must mark each sheet of data it wishes to restrict with the following:

“Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application.”

Related Programs

This project is a logical successor to the following ongoing and completed USAID/Armenia programs:

- Partnerships for Rural Prosperity (PRP) program to end in December 2018
- Advanced Rural Development Initiatives (ARDI) program to end in December 2018
- Development of Private Extension Services System in Armenia (DPESSA) program ended in 2016.

Brief information on these projects are available on USAID/Armenia web site.

ANNEX 1 - SUMMARY BUDGET TEMPLATE

Applicants are required to submit SF 424 and 424A forms. Also, a detail summary budget should be submitted according to the template below.

BUDGET TEMPLATE - Include ONLY those cost line items that are consistent with your technical application																		
COST ELEMENTS	PERIOD OF PERFORMANCE																TOTAL	
	Year 1			Year 2			Year 3			Year 4			Year 5					
A. Salaries and Allowances	Daily Rate	LOE days	Cost	Daily Rate	LOE days	Cost	Daily Rate	LOE days	Cost	Daily Rate	LOE days	Cost	Daily Rate	LOE days	Cost	LOE days	Cost	
1. Long-Term Technical Assistance (LTTA)																		
LTTA LOCAL STAFF																		
TOTAL Long-Term Technical Assistance																		
2. Short-Term Technical Assistance (STTA)																		
STTA Local/Expatriate/TCNs																		
TOTAL Short-Term Technical Assistance																		
3. Administrative Staff																		
TOTAL Administrative Staff																		
4. Allowances																		
TOTAL Allowances																		
Total Salaries and Allowances																		
B. Fringe Benefits	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Units	Cost	
Total Fringe Benefits																		
C. Travel and Transportation	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Units	Cost	
International Travel																		

Local Travel																	
Per Diem																	
Total Travel and Transportation																	
D. Procurement or Rental of Goods (Equipment & Supplies), Services, and Real Property	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Units	Cost
Total Procurement or Rental of Goods (Equipment & Supplies), Services, and Real Property																	
E. Subawards	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Units	Cost
Total Subawards																	
F. Other Direct Costs (ODCs)	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Units	Cost
Total ODCs																	
G. Indirect Costs	Rate	Base	Cost	Rate	Base	Cost	Rate	Base	Cost	Rate	Base	Cost	Rate	Base	Cost	Base	Cost
Total Indirect Costs																	
TOTAL USAID COST																	
H. Cost Share	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Rate	Units	Cost	Units	Cost
Total Cost Share																	
TOTAL PROGRAM COST																	

ANNEX 2 - STANDARD PROVISIONS

(Note: the full text of these provisions may be found at: <https://www.usaid.gov/ads/policy/300/303maa> and <https://www.usaid.gov/ads/policy/300/303mab>). The actual Standard Provisions included in the award will be dependent on the organization that is selected. The award will include the latest Mandatory Provisions for non-U.S. Nongovernmental organizations. The award will also contain the following “required as applicable” Standard Provisions:

REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR NON-U.S. NONGOVERNMENTAL ORGANIZATIONS

Required	Not Required	Standard Provision
TBD		RAA1. ADVANCE PAYMENT AND REFUNDS (DECEMBER 2014)
		RAA2. REIMBURSEMENT PAYMENT AND REFUNDS (DECEMBER 2014)
TBD		RAA3. INDIRECT COSTS – NEGOTIATED INDIRECT COST RATE AGREEMENT (NICRA) (DECEMBER 2014)
		RAA4. INDIRECT COSTS – CHARGED AS A FIXED AMOUNT (NONPROFIT) (JUNE 2012)
		RAA5. UNIVERSAL IDENTIFIER AND SYSTEM OF AWARD MANAGEMENT (July 2015)
		RAA6. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (DECEMBER 2014)
		RAA7. SUBAWARDS (DECEMBER 2014)
		RAA8. TRAVEL AND INTERNATIONAL AIR TRANSPORTATION (DECEMBER 2014)
		RAA9. OCEAN SHIPMENT OF GOODS (JUNE 2012)
		RAA10. REPORTING HOST GOVERNMENT TAXES (JUNE 2012)
		RAA11. PATENT RIGHTS (JUNE 2012)
		RAA12. EXCHANGE VISITORS AND PARTICIPANT TRAINING (JUNE 2012)
		RAA13. INVESTMENT PROMOTION (NOVEMBER 2003)
		RAA 14. COST SHARE (JUNE 2012)
		RAA16. FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES (JUNE 2012)
		RAA17. STANDARDS FOR ACCESSIBILITY FOR THE DISABLED IN USAID ASSISTANCE AWARDS INVOLVING CONSTRUCTION (SEPTEMBER 2004)
		RAA23. CONSCIENCE CLAUSE IMPLEMENTATION (ASSISTANCE) (FEBRUARY 2012)
		RAA26. LIMITATION ON SUBAWARDS TO NON-LOCAL ENTITIES (JULY 2014)

		RAA27. CONTRACT PROVISION FOR DBA INSURANCE UNDER RECIPIENT PROCUREMENTS (DECEMBER 2014)
		RAA28. CONTRACT AWARD TERM AND CONDITION FOR RECIPIENT INTEGRITY AND PERFORMANCE MATTERS (April 2016)

ANNEX 3 - PRE-APPLICATION CONFERENCE



NOFO Number: 72011118RFA00001

Program Title: Armenia Rural Economic Development – New Economic Opportunities (RED-NEO)

USAID will hold a pre-application conference for the above NOFO. All potential applicants are welcome to attend.

The purpose of the pre-application conference is to ensure an understanding of the NOFO. It will include a short presentation of the NOFO's program description which is intended for informational purposes only.

At the conclusion of the presentation, attendees will have the opportunity to ask questions about the NOFO.

The pre-application conference will be held on August 10, 2018, 9:30 AM at the USAID/Armenia, 1 American Avenue, Yerevan 0082, Armenia.

Potential applicants who are interested to attend are requested to confirm their attendance by sending an email to Armen Yeghiazarian at ayeghiazarian@usaid.gov by August 3, 2018. The email should include the name of the organization and the name(s) of the person(s) who will attend. Given concerns with space availability, attendance is limited to two persons per organization.

Following the pre-application conference, USAID/Armenia will make the following publicly available on Grants.gov website (<http://www.grants.gov/>): the presentation, all questions and answers from the pre-application conference including answers to questions submitted in writing in response to the RFA, and/or if necessary, an amendment to the RFA. Oral answers from any USAID source during the pre-application conference will not be binding on the US Government.

ANNEX 4 - GENDER ANALYSIS

Gender equality and female empowerment are core development objectives, fundamental for the realization of human rights and key to effective and sustainable development outcomes. No society can develop successfully without providing equitable opportunities, resources, and life prospects for males and females so that they can shape their own lives and contribute to their families' communities. A growing body of research demonstrates that societies with greater gender equality experience faster economic growth. Empowering women to participate in and lead public and private institutions makes these institutions more representative and effective. Although many gender gaps have narrowed in Armenia, substantial inequalities remain, particularly for low-income and among disadvantaged groups. In addressing gender considerations, USAID/Armenia will partner with host governments, civil society, the private sector and other donors to ensure that our efforts are coordinated and non-duplicative, build on the skills and initiatives of local actors, and reflect country priorities.

More inclusive and sustainable economic growth reduces gender disparities in access to, control over and benefit from resources, wealth, opportunities and services. An analysis, conducted by the EG team and the Mission M&E specialist assessed overarching gender implications and considerations relevant to the project as well as key gender gaps in the abilities of women and men to participate in and benefit from economic growth.

Key Gender Considerations

Based on relevance to this project, the following gender gaps were analyzed:

- Employment
- Salary differences
- Ability to access financial service and resources
- Under representation of women in leadership/policy positions
- Over-representation of women in small business, which faces more constraints to growth
- Carry-over of traditional gender roles across sectors of the economy (i.e., women participation in tourism is high and in energy – very low)
- Disproportionate poverty rates for female-headed households
- Water and energy usage

Project Response to Address Key Gender Gaps

This project and its activities will address the identified gender gaps in the following ways:

Project Purpose: More inclusive and sustainable economic growth

- Include specific gender deliverables and quantifiable gender targets and indicators into activities where appropriate. Gender specific deliverables, indicators and targets were used in the Enterprise Development and Market Competitiveness (EDMc) Project (completed), and are currently used in the Partnerships for Rural Prosperity (PRP) and Advanced Rural

Development Initiative (ARDI) projects. In the future the project will ensure that gender specific deliverables, indicators and targets are used in the new designs.

- Improve the capacity of implementing partners, businesses and government partners to conduct gender analysis to develop activities that equitably benefit both men and women.
- Both men and women will be included to the greatest extent possible in all aspects of this project's implementation, including participation in policy dialogue, working groups, training, and other activities.
- The project will collect, analyze gender disaggregated data, and address any gender-related issues identified.

Sub-Purpose (IR I) : Improved enabling environment for trade and investment

- Ensure gender sensitive GOAM policies concerning trade and investment.
- Ensure that while streamlining the various laws, regulations, or procedures, the recommendations promote gender equity.
- Engage local-level stakeholders and communities to increase women's involvement in local level decision-making processes (supporting economic development and water and energy management).
- Ensure that women-owned and managed enterprises, especially in rural areas, have equal opportunity to access financial services.

Sub-Purpose (IR 2): Increased competitiveness of targeted sectors

- Conduct a gender analysis specific to targeted sectors to identify issues of equity to inform appropriate approaches to assistance.
- Assess and mitigate inequalities for men and women in access and control of resources; examine decision-making processes that impact participation in business and economic activities; factor results from the analyses into the modification of USAID/Armenia's ongoing and new activities in the private sector.
- Ensure TA focuses on female entrepreneurs and start-ups on financial literacy (increasing access to loans and credit, obtaining licenses and permits, business legislation, taxation, accounting, management skills and marketing).
- Ensure rural development activities and interventions in the agriculture sector address the socio-economic situation of women in the rural areas.

ANNEX 5 - INITIAL ENVIRONMENTAL EXAMINATION

US Agency for International Development (USAID)

USAID/Armenia

Program/Project/Activity Data

Activity/Project Name:		Rural Economic Development – New Economic Opportunities (RED-NEO)	
Assistance Objective:		More Inclusive and Sustainable Economic Growth	
Program Area:		Economic Growth	
Country(ies) and/or Operating Unit:		Armenia/E&E	
Originating Office:		Sustainable Development Office (SDO)	Date: January 25, 2018
PAD Level IEE: Yes ☒ No ☐	DCN of Original RCE/IEE:	DCN: 2014-ARM-006	
Supplemental IEE: Yes ☐ No ☒	DCN of Amendment(s):	DCN: 2015-ARM-010, 2017-ARM-001	
If Yes, Purpose of Amendment (AMD):		Adding new activity Rural Economic Development – New Economic Opportunities (RED-NEO)	
DCN(s) of All Related EA/IEE/RCE/ER(s):			
Implementation Start/End:		November 2018 – November , 2023	LOP: FY 2019 – FY2023
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Contract/Award Number (if known):			
IEE Expiration Date (if any):	November, 2023	Reporting due dates (if any):	
Recommended Environmental Determination:			
Categorical Exclusion: ☒		Positive Determination: ☐	
Negative Determination: ☒		Deferral: ☐	
Additional Elements:			
Conditions: ☒		Local Procurement: ☒	
Government to Government: ☐		Donor Co-Funded: ☐	
Sustainability Analysis (included): ☐		Climate Change Vulnerability Analysis (included): ☐	

1. Background and Project Description

1.1. Purpose and Scope of IEE

The purpose of this amendment to PAD level IEE is to analyze potential environmental impacts and to recommend environmental determination for the RED-NEO Activity. The RED-NEO activity aims to promote inclusive, sustainable economic security and economic growth in targeted areas, with an emphasis on: (a) facilitating market linkages between producers and buyers; (b) promoting local economic development by establishing networks, and; (c) improving SME/farms/firms/cooperatives development and growth. While specifically focusing on these aspects the activity will also improve the qualitative (production, turnover etc.) performance of rural businesses and cooperatives and strengthen their capacity and performance to meet certain quality standards, thus fostering the continued development of a competitive agricultural sector.

1.2 Project Overview

Agriculture is a key contributor to the Armenian economy and a major source of employment. In 2016 it accounted for about 20% of GDP, approximately 18% of export earnings, and 44% employment. During the last few years, as other sectors contracted due to the economic crisis in Russia, Armenia's major trading partner, Armenia was able to beat forecasts of negative GDP growth on the strength of the agriculture sector. While the agriculture sector has been resilient, it has been functioning at a low level of intensity and has not reached its full potential.

This activity is a logical successor to the Mission's Partnerships for Rural Prosperity (PRP), Advanced Rural Development Initiatives (ARDI) and Development of Private Extension Services System in Armenia (DPRESSA) projects. RED-NEO will closely cooperate and coordinate activities with the Ministry of Agriculture (MoA) and the Ministry of Territorial Administration and Development (MTAD) in line with the Government of Armenia's (GOAM) Agriculture Development Strategy, Proportional Territorial Development Strategy, as well as ongoing and upcoming projects funded by other donors and lenders.

1.3 Project Description

RED-NEO would work at the national level to integrate rural communities and businesses with economic networks and is required to work with at least 80 businesses in at least 50 communities. The methodology of identification of the products, sectors and communities to target, and establishment of networks would be proposed by the applicants; use of participatory, collaborative and co-creation approaches are highly encouraged. It is recommended that horticulture value chain, including fruits/vegetables (including dried fruits and greenhouses), berries, viticulture, weather stations (early warning on irrigation, pests and disease management) as well as tourism/hospitality (food and beverage, etc.) and ag light machinery repair be covered by this activity. Small and medium size rural businesses, i.e. firms, farmers, coops, rural SMEs etc., are the beneficiaries of this activity.

The project team will work with beneficiaries at their current level of sophistication and support them to grow, taking them from a poor understanding and inconsistent application of required quality standards (also determined by the market) to consistently meeting such standards; from limited use of technology to the productive use of modern technology; from poor financial planning to more sophisticated planning with the capacity to access credit; and from ad hoc production toward strategic planning with a long-term horizon, increasingly strong market awareness, and sophisticated marketing strategies.

The activity goal is to: Promote inclusive, sustainable economic growth and economic security in

targeted areas.

The activity objectives are: (i) improve SMEs/coops/firms/farms development and growth; (ii) facilitate market linkages between producers and buyers; (iii) promote local economic development by establishing networks.

These objectives are expected to be achieved through progress towards the result areas of two components as summarized below.

Component 1: Rural Incomes through Agricultural and Other Production Increased and Diversified. This component will assist rural small businesses to identify value-added opportunities and translate them into sustainable economic activities. Assistance will be focused on increasing the volumes and improved quality produced and per unit values of the targeted high-value crops, working with processors to identify and develop new products and locate new markets for all targeted crops and products. Activities under this component might include, but are not be limited to the following technical assistance: support to establish nurseries (new varieties); support in establish modern greenhouses and orchards (hail protected); support for berry production (open field and greenhouse); installation of meteorological stations to provide early warning information to farmers (applied IT and innovation); upgrade of production/processing facilities etc.

Component 2: Farmers and Products Linked to Sustainable Markets. RED-NEO will connect farmers to identified markets for the targeted products via processors, traders, exporters or farmers' organizations in structures and ways that are appropriate, effective and sustainable and which provide opportunities to increase their sales and incomes. In some cases, agricultural markets that ensure the efficient flow of goods from farmer to end consumer share common constraints across crops, while other issues are limited to the specific value chains – food and non-food – in which these farmers operate. In many cases, a household's desperate need for cash at certain times of the year forced farmers to sell at a lower price than otherwise possible. Additionally, substantial price fluctuations and a lack of understanding of market demands constrain their earnings from agricultural sales. Lack of post-harvest handling technologies and know-how, as well as inconsistent sorting and grading techniques, further reduces potential income. Activities under this component might include, but are not limited to the following: linking coops/farmers to local hotels and supermarkets; supporting participation in B2B events and trade fairs; establishing consolidation platforms; and bridging the gap between small producers and large processors etc. In case of necessity, some basic financial management training might be provided to the beneficiaries of RED-NEO.

In an effort to provide innovative and flexible mechanisms to promote public-private activities as well as other agreed upon goals, Grants Under Contract (GUC) will be initiated and managed by the prime Recipient. The GUC component will provide small grants to private sector organizations including businesses, foundations, institutions, producer groups, and/or cooperatives. Grants can be made to groups who are implementing their own programs (grant component should not exceed 30% of program cost, but not more than \$15K each) that have goals that support the objectives of this activity (for example, an existing producer organization, or private sector company that needs targeted assistance to address a marketing constraint or a cooperative that envisions product diversification and cannot access seed money).

Expected outcomes and results of the project:

By the end of the activity, it is expected that the following results will be achieved:

Produced volume of high-value vegetables and fruits increased

Value of agricultural production and processing increased
 Household incomes due to non-agricultural activities increased.
 Producer organizations established
 Agro-processors establish contractual relationships with farmer cooperatives
 Improved post-harvest handling, packaging; branding; storage, and transportation techniques introduced.
 Private sector engagement and investment in upgrading agricultural value chains specified in Program Description will be increased.

2. Baseline Environmental Information

2.1 Locations Affected and Environmental Context

General Baseline data

Armenia has demonstrated its resilience in the face of severe economic downturns and instability since independence. Notwithstanding these difficulties, Armenia has made significant strides in reducing poverty and laying the foundations for economic growth, and USAID has provided assistance in support of these efforts for 20 years. However, developments challenges still exist which confront Armenia's further transition to broad-based prosperity.

Currently, the country faces a trade embargo and closed borders with Azerbaijan and Turkey. It is striving to develop a market based economy and become competitive worldwide. While growth has resumed to a certain degree since the global financial crisis, significant structural challenges remain. Growth typically benefits specific segments of society primarily located in urban areas in and around Yerevan. Poverty remains a serious problem and it is estimated that 25-50% of the rural population lives at or below the national poverty line.

In consultation with the GOAM, donors, private sector and other stakeholders the Mission has developed the strategy to achieve more inclusive and sustainable economic growth. More inclusive and sustainable economic growth is critical to increase growth that generates productive employment (especially with focus on rural areas) and promotes equality of opportunity through a diversified mix of competitive industries and sectors, and to ensure that environmentally friendly growth, stability and more equitable prosperity are sustained over the long-term.

The Mission implements its economic growth strategic vision in part through the formation of a Development Objective Assistance Agreement (DOAG) with the GOAM.

Sector Specific Baseline Data:

Rural development and agriculture: Many challenges continue to exist for the rural economy in Armenia. Rural areas have the highest levels of poverty, and marginalization is the greatest. While approximately 40% of the labor force is employed in agriculture; it only contributes to 20% of GDP due to low productivity. Farm and rural non-farm incomes are low and labor is underutilized, therefore, it is critical to increase production and incomes in agriculture and non-farm activities. Constraints to rural non-farm MSMEs such as lack of start-up capital or sufficient access to markets hinders rural growth. Under-investment in rural infrastructure also highlights the disparity between urban centers and rural areas, limiting commerce and trade between the two. Constraints to non-farm employment and on-farm opportunities are clearly seen in the high levels of unemployment and the decreasing productivity of farms.

Support to local economic development and agricultural value chains will promote prosperity in rural Armenia communities through supporting sound local and regional economic governance, job creation, improved agricultural services. To promote economic growth, the Government of Armenia is

trying to facilitate development of MSMEs as they are leading force in developing sustainable economic prosperity. To be competitive, Armenia needs to focus enhancing the ability of rural enterprises to access low interest rate finance.

Rural Tourism: Armenia's tourism industry has shown significant growth in the past 10 years. Tourism has a strong multiplier effect serving as a major source of economic development in developing countries. Tourism can generate jobs directly through hotels, restaurants, souvenir sales etc., and indirectly through the supply of goods and services needed by tourism-related businesses. Promotion of the country as a tourism destination in an effective and targeted manner will lead to an awareness and positive perception of the country for foreign direct investment, exports and in public diplomacy. Armenia's tourism industry is at the center of the government's and donor attention. Currently USAID is assisting development of new tour products and tourism services in rural areas of Armenia that help maximize tourist experiences, and this new activity will contribute to rural hospitality sector.

2.2 Description of Applicable Environmental and Natural Resource Legal Requirements Policies, Laws, and Regulations

It is important to note that Armenia has a comprehensive legal framework on environment-related issues through both domestic legislation and international agreements that the country is party to. However, due to a lack of capacity and staffing constraints (e.g. environmental inspectorate), budget constraints, corruption, weak data, feedback and public participation in decision-making, the enforcement of newly developed or updated legislation is a big issue in Armenia. All these reflect a lack of political will at different levels to protect and conserve natural resources, and implement sustainable practices in different areas, including agriculture. Limited enforcement of legislation and regulations is one of the root causes of the unsustainable use of resources. The Armenian Law on Environmental Impact Assessment (2014) states that all economic and industrial activities are required to obtain clearance from the Ministry of Nature Protection through the satisfactory performance of an Environmental Review and Impact Assessment: i) if they are in one of the following categories A, B or C listed in the law: ii) they are located in a protected area.

The regulation on Nature Protection and Nature Utilization Payments requires certain polluting organizations and individuals to pay into the State budget to fund environmental programs throughout the country.

Law on environmental education and training of the population has set the environmental standards in education. Under this law continuous environmental education contains the different levels, including high education.

Waste management is the principal issue in the Republic of Armenia (RA) and it is regulated through RA International Agreements, RA Constitution, RA Law on Waste and a number of other legal acts. RA Law on Waste adopted on November 24, 2004 is a key piece of legislation regulating relations on waste collection, storage, transportation, processing, recycling, removal and volume reduction.

Land Code of RA regulates land use, specifically use of different types of lands, including agricultural land.

This activity will also promote environmental considerations in sectorial policies and regulations in agriculture.

2.3 Country/Ministry/Municipality Environmental Capacity Analysis

Due to lack of capacity and staffing constraints at the Ministerial level, in many cases decisions not well-informed and fail to take into account recommendations concerning environmental protection and

sustainable use of natural resources. As of community level - larger communities maintain the in-house capacity to oversee compliance with environmental regulations during the implementation of projects involving infrastructure, as well as waste collection and administration and other type of services connected with environment. Typically, special staff is assigned to review the process and provide analytical status reports. If violations occur, the municipality should then take corrective action. Due to small size and limited staff capacity, smaller communities/villages assign this role to the mayor who has to make sure that community services and projects are carried out in accordance with environmental regulations. Municipalities with larger budgets occasionally outsource environmental analysis to engineering companies, which, along with construction services, maintain experts specializing in environmental regulations. With USAID's and other donors support the capacities of the Ministries of Economic Development and Investments, Nature Protection, Agriculture, Energy and Natural Resource Management as well as municipalities and local government has been strengthened to address environmental issues. In particular USAID's EDMC, PRP, ARDI, ATC and upcoming RED-NEO are instrumental in developing capacities of Ministry of Economic Investments and Development, Ministry of Agriculture, Ministry of Territorial development and Administration as well as respective Agency's, municipalities, local government and communities. Armenia has a capacity for soil tasting which is available through private and public laboratories. The farmers have access to soil testing (the basic testing can be done in Farm Service Centers supported by USG), and most of farmers are interested and doing such testing, thus the Implementing Partner will raise the awareness on the need.

2.4 Climate Change Vulnerability Analysis and Climate Risk Screening

This analysis sought to identify whether and how the Project will affect, or be affected by, medium and longer-term climate change impacts, and how the Project's design should be adjusted in consideration of climate change vulnerabilities.

In Armenia, the projected increase in temperature and decrease in precipitation, along with the projected increase in the frequency and intensity of natural disasters, will impact the agriculture sector by causing erosion, desertification, and a general degradation of agricultural land; reducing the availability of water; and causing severe damage to crops from high winds, floods, droughts, and other severe weather.

These implications are significant because agriculture is arguably the most economically important sector in Armenia. Some of the resulting recommendations include the following measures:

- Reducing land erosion and increasing soil fertility by planting of windbreaks to reduce erosion; keeping weeds under control and removing stones in pasture; and planting new seed types in degraded areas.
- Using gypsum in alkali soils and chemical fertilizers (i.e., nitrogen, sulfur, phosphorus, etc.) in saline soils.
- Increasing efficiency and effectiveness of irrigation (if applicable to the project) by using micro-irrigation technologies, such as sprinklers and drip irrigation; using techniques to conserve soil moisture, such as mulching and conservation tillage; investing in drought-tolerant crops; and growing less water-intensive crops.
- General policies: promoting crop, income and landscape diversification to reduce the impact of climate change; and increasing water storage to address shortages during droughts or summer months.

3. Analysis of Potential Environmental Impact

Pursuant to 22 CFR 216.3(a)(92)(iii), the originator of the proposed project has reviewed the potential

environmental impacts of the action summarized in the foregoing IEE. As per section 1.3 *Program Description* of this document, different type of Technical Assistance will be provided under Component 1 and 2 of the RED-NEO, the types of TA's are specified in the below table under activities 1.1 to 1.8. Other activities defined in the table fall under the small grant component. Most of the activities outlined below (Technical Assistance under component 1 and 2, as well as capital support to be provided through Small Grant Component) are not going to have adverse impact but the small grants to be provided in frame of this activity to the businesses are anticipated to have some negative effect.

Component 1: Rural Incomes through Agricultural and Other Production Increased and Diversified.

Defined/Illustrative Activities	Potential Impacts	Potential Climate Risk	Climate Risk Rating	Opportunities for Climate Resiliency
1.1 Train producers and MSMEs on: business management and operation practices and skills; O&M of equipment and facilities	No adverse impacts are likely	The projected increase in temperature and decrease in precipitation, along with the projected increase in the frequency and intensity of natural disasters, will impact the agriculture sector by causing erosion, desertification, and a general degradation of agricultural land; reducing the availability of water; and causing severe damage to crops from high winds, floods, droughts, and other severe weather.	Low	- Encourage farmers to take advantage of changes in temperature or precipitation that will extend the growing season and allow for additional harvests. - Increase training and investment in more sustainable agricultural practices. - Encourage adoption of innovations in food processing, packaging, transport, and storage.
1.2 Train service and information providers on topics such as teaching methods, farmer outreach models, and technical skills and knowledge.	Technical support for certain agricultural activities can have potential impacts on land, water, air, human health	Same as above	Low	Same as above
1.3 Provide technical training to farmers on production, harvesting and post-harvest techniques and practices	Technical support for certain agricultural activities can have potential impacts land, water,	Same as above	Low	Same as above

Defined/Illustrative Activities	Potential Impacts	Potential Climate Risk	Climate Risk Rating	Opportunities for Climate Resiliency
	air, human health			
1.4 Assist with developing business relationships and addressing requirements of financial institutions to obtain capital for further growth or expansion	No adverse impacts are likely	Same as above	Low	Same as above
1.5 Facilitate relationships between value-adding agribusinesses and smallholder/ emerging commercial farmers	No adverse impacts are likely	Same as above	Low	Same as above
1.6 Facilitate market access to new domestic buyers and international markets	No adverse impacts are likely	Same as above	Low	Same as above
1.7 Support farming and business/sector associations and cooperatives to develop marketing and branding campaigns	No adverse impacts are likely	Same as above	Low	Same as above
1.8 Facilitate linkages between and provide support to vocational education institutions, business service providers, and enterprises to improve training curricula and increase access to private sector-led skills development	No adverse impacts are likely	Same as above	Low	Same as above

Defined/Illustrative Activities	Potential Impacts	Potential Climate Risk	Climate Risk Rating	Opportunities for Climate Resiliency
opportunities				
2) Support in establishing new or improving the existing fruit/berry orchards (planting materials saplings, seedlings, drip irrigation system) (Small Grants Component)	Impact air, water, land, human health	The projected increase in temperature and decrease in precipitation, along with the projected increase in the frequency and intensity of natural disasters, will impact the agriculture sector by causing erosion, desertification, and a general degradation of agricultural land; reducing the availability of water; and causing severe damage to crops from high winds, floods, droughts, and other severe weather.	Low	- Encourage farmers to take advantage of changes in temperature or precipitation that will extend the growing season and allow for additional harvests. - Increase training and investment in more sustainable agricultural practices. - Encourage adoption of innovations in food processing, packaging, transport, and storage.
3) Support in establishing modern greenhouses (saplings, ventilation, heating, etc.) (Small Grants Component)	Impact air, water, land, human health	Same as above	Low	Same as above
4) Early warning services to farmers regarding irrigation, pests and disease management (Component 1)	No adverse impacts are likely	Same as above	Low	Same as above
5) Ag light machinery repair (Small Grants Component)	Impact air, water, land, human health	Same as above	Low	Same as above
6) Upgrade of production/processing facilities, including hospitality/F&B (equipment etc.) (Small Grants Component)	Impact air, water, land, human health	Same as above	Low	Same as above

4. Recommended Environmental Actions

4.1 Recommended Mitigation Measures for the TA and Small Grants

Defined/Illustrative Activities	Potential Impacts	Mitigation Measures	Recommended Threshold Determination
1.2 Train service and information providers on topics such as teaching methods, farmer outreach models, and technical skills and knowledge 1.3 Provide technical training to farmers on production, harvesting and post-harvest techniques and practices	Technical assistance to rural businesses will be provided in order to identify value-added opportunities and translate them into sustainable economic activities, as well as outreach models. Assistance will be focused on increasing the volumes and quality produced and per unit values of the targeted high-value crops, working with processors to identify and develop new products and locate new markets for all targeted crops and products. Technical support for certain agricultural activities can have potential impacts on land, water, air and human health.	USAID will ensure that the implementing partner follows the PERSUAP when discussing pesticides. The PERSUAP will be updated under the technical assistance activity and required to be updated every two years. Under the PERSUAP requirement the IPM training will be provided to encourage more sustainable pest management practices.	Negative Determination

2) Support in establishing new or improving the existing fruit/berry orchards (sapling materials, seedlings, drip irrigation system)	The small grants that have support in establishing new or improving the existing fruit/berry orchards (planting materials saplings, seedlings, drip irrigation system) physical infrastructure component may cause environmental and health problems if not properly implemented. Source material selection will be done in accordance to best available practice. Waste from the activity may contaminate surface and ground water if not properly managed. If use of pest will not be properly managed it will damage crops, environment and human health.	USAID will ensure the implementing partner prepares and submits for USAID approval the attached ERC with appropriate EMMPs. The ERC/EMMP will be completed and approved within approval process, prior to activities beginning. The implementing partner can also use the appropriate EMMP that have been developed and are attached in Annex 3 for applicable activities. Also, USAID will ensure that the implementing partner follows the PERSUAP when grant include use of pesticides. The PERSUAP is required to be updated every two years. PERSUAP related training will be provided to all beneficiaries. In particular, the EMMP will address all specific mitigation measures including, but not limited to: fugitive dust; erosion control; use water sprays; reduce diesel exhaust; keep equipment in good operating condition; workers protective gloves; proper storage of construction materials to reduce visual impacts; waste removal to designated landfill. The implementer will provide training on the PERSUAP. All procured materials and other equipment must be environmentally friendly and meet host government standards.	Negative Determination
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3) Support in establishing modern greenhouses (saplings, ventilation, heating, etc.)	The small grants that have support in establishing greenhouses component will need to incorporate appropriate environmental (including PERSUAP), health and safety measures, use of environmentally friendly materials, waste disposal and source material selection (based on best available and should consider energy efficiency measures). No lead containing paints; proper disposal of waste in the designated areas; mitigation measures to be envisaged during construction.	USAID will ensure the implementing partner prepares and submits for USAID approval the attached ERC with appropriate EMMPs. The ERC/EMMP will be completed and approved within approval process, prior to activities beginning. The implementing partner can also use the appropriate EMMP that have been developed and are attached in Annex 3 for applicable activities. Also, USAID will ensure that the implementing partner follows the PERSUAP when grant include use of pesticides. The PERSUAP is required to be updated every two years. PERSUAP related training will be provided to all beneficiaries. In particular, the EMMP will address all specific mitigation measures including, but not limited to: fugitive dust; use water sprays; reduce diesel exhaust; keep equipment in good operating condition; workers protective gloves; proper storage of construction materials to reduce visual impacts; waste removal to designated landfill. The implementer will provide training on the PERSUAP. All procured materials and other equipment must be environmentally friendly and meet host government standards.	Negative Determination
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5) Agricultural light machinery repair (no new construction, only upgrade of existing facilities)	The small grants that have agricultural machinery repair stations support component will need to incorporate appropriate environmental (including PERSUAP) health and safety measures, waste disposal and source material selection (based on best available and should consider energy efficiency measures). Waste from the activity (spill of fuel, oil, lubricants etc.) may contaminate surface and ground water if not properly managed. No lead containing paints are allowed for used.	USAID will ensure the implementing partner prepares and submits for USAID approval the attached ERC with appropriate EMMPs. The ERC/EMMP will be completed and approved within approval process, prior to activities beginning. The implementing partner can also use the appropriate EMMP that have been developed and are attached in Annex 3 for applicable activities. Also, USAID will ensure that the implementing partner follows the PERSUAP when grant include use of pesticides. The PERSUAP is required to be updated every two years. PERSUAP related training will be provided to all beneficiaries. In particular, the EMMP will address all specific mitigation measures including, but not limited to: avoiding sites with rare or endangered species; avoid locations in undeveloped forest areas, or adjacent to waterways; provide workers with protective equipment (e.g., gloves, steel-toed boots, goggles, dust masks); manage traffic to protect children & the community; use of controls & flags to avoid conflicts with other vehicles (the repair work should include spill prevention such as drip pans under an oil drain or practices that will prevent spill to the environment of oil, grease, solvents, antifreeze, Freon etc). All procured materials and other equipment must be environmentally friendly and meet host government standards.	Negative Determination
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6) Upgrade of production/processing facilities, including F&B (equipment, furniture etc.)	The small grants that have upgrade of production/ processing facilities, (including F&B) component will need to incorporate appropriate environmental (including PERSUAP) health and safety measures, waste disposal and source material selection (based on best available and should consider energy efficiency measures). Waste from the activity may contaminate surface and ground water if not properly managed. Only environmentally friendly material and equipment could be used. No lead containing paints are allowed for used.	USAID will ensure the implementing partner prepares and submits for USAID approval the attached ERC with appropriate EMMPs. The ERC/EMMP will be completed and approved within approval process, prior to activities beginning. The implementing partner can also use the appropriate EMMP that have been developed and are attached in Annex 3 for applicable activities. Also, USAID will ensure that the implementing partner follows the PERSUAP when grant include use of pesticides. The PERSUAP is required to be updated every two years. PERSUAP related training will be provided to all beneficiaries. In particular, the EMMP will address all specific mitigation measures including, but not limited to: fugitive dust; use water sprays; reduce diesel exhaust; keep equipment in good operating condition; workers protective gloves; proper storage of construction materials to reduce visual impacts; waste removal to designated landfill. The implementer will provide training on the PERSUAP. All procured materials and other equipment must be environmentally friendly and meet host government standards.	Negative Determination
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4.2 Recommended Environmental Determination:

Categorical Exclusions:

A categorical exclusion is recommended for the following identified activities under 22 CFR 216.2(c)(2):

- Activity 1.1, 1.4, 1.5, 1.6, 1.7, 1.8 and 4 under §216.2(c)(2)(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.);

Negative Determination: A negative determination with conditions is recommended for activities under small grants, per §216.3(a)(2)(iii). Specific terms and conditions are presented below in Section

4.3 Terms and Conditions:

4.3.1 For activities 1.2 and 1.3 the IP shall ensure that activities promote good agricultural practices in primary production, and cleaner production, energy efficiency and a culture of environmental compliance and governance in agricultural processing. The procurement or use, promotion of, or training in use of pesticides, is not permitted until such time that a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) is completed pursuant to 22 CFR Regulation 216.3 (b) - USAID Pesticide Procedures - and duly approved. The PERSUAP is required to be updated every two years.

4.3.2 For activities 2, 3 and 5 the IP shall ensure that activities promote good agricultural practices including climate-resilient agriculture in primary production, and cleaner production, energy efficiency and a culture of environmental compliance and governance in agricultural processing - as relevant. For these activities, generally appropriate EMMPs have been developed and are attached in Annex -3. Prior to any new activities at a specific site, the attached EMMPs shall be reviewed by the Implementing Partner (IP) for suitability, adequacy, and comprehensive inclusion of necessary environmental, health and safety safeguards. When necessary, a revised ERC/EMMP shall be sent to the Contract Officer's Representative (COR)/Agreement Officer's Representative (AOR), prior to the start of work. For each site-specific activity, the EMMP attached to this IEE, or (the revised version, if appropriate) shall be attached to the signed *Certification of No Adverse or Significant Effects on the Environment* (See ERC/EMMP Annex 1) and sent by the implementer to the COR/AOR for his or her records and copied to the Mission Environmental Officer (MEO) and Europe and Eurasia Bureau Environmental Officer (BEO). After the IP has finalized its activities at a specific site, the IP shall sign a *Record of Compliance* with the EMMP (see ERC/EMMP Annex 2) certifying that the organization met all applicable EMMP conditions and submit it to the COR/AOR. The COR/AOR shall keep the original for the project files and provide a copy to the MEO and BEO. If the EMMPs of Annex 3 are not applicable, then USAID will ensure the implementing partner prepares and submits for USAID's approval the attached ERC with appropriate EMMPs. The ERC/EMMP will be completed and approved within approval process, prior to activities beginning.

4.3.3 For activity 6, the IP shall ensure that activities promote good agricultural practices including climate-resilient agriculture. Prior to any physical interventions at a specific site, the approved EMMPs shall be reviewed and updated as needed for site specific conditions by the IP for suitability, adequacy, and comprehensive inclusion of necessary environmental, health and safety safeguards. For each site-specific physical intervention, the EMMP (the original or revised) shall be attached to the signed *Certification of No Adverse or Significant Effects on the Environment* and sent by the IP to the COR for records and copied to the Bureau Environmental Officer (BEO).

4.3.4 For other activities that do not fit under the approved EMMPs in Annex 3, Prior to initiating

activities that have the potential to result in significant adverse environmental, health, and safety impact, the IP shall prepare an ERC/EMMP(s) in the format provided in the Annex 1 of this IEE. The COR/AOR, MEO, and BEO shall approve the ERC/EMMP(s) prior to implementation. For each site-specific activity, the ERC/EMMP shall be attached to the signed *Certification of No Adverse or Significant Effects on the Environment* (See ERC/EMMP Annex 1). This should be signed by the IP, COR/AOR, MEO, and BEO. After the IP has finalized its activities at a specific site, the IP shall sign a *Record of Compliance* with the ERC/EMMP (see ERC/EMMP Annex 2) certifying that the organization met all applicable ERC/EMMP conditions and submit it to the COR/AOR. The COR/AOR shall keep the original for the project files and provide a copy to the MEO and BEO.

4.3.5 ERC/EMMPs shall be captured in annual work plans, and therefor budgeted for and reviewed for adequacy at least annually.

4.3.6 Changes in activities, and their associate ERC/EMMPs, shall necessitate amending the IEE or issuing a Memo to the File (depending on extent and potential impact of the changes).

4.4 USAID Monitoring and Reporting

4.4.1 The AOR/COR, with the support of the MEO, is responsible for monitoring compliance of activities by means of desktop reviews and site visits.

4.4.2 If at any time the project is found to be out of compliance with the IEE, the AOR/COR or MEO shall immediately notify the BEO.

4.4.3 A summary report of Mission's compliance relative to this IEE shall be sent to the BEO on an annual basis, normally in connection with preparation of the Mission's annual environmental compliance report required under ADS 203.3.8.5 and 204.3.3.

4.4.4 The BEO or his/her designated representative may conduct site visits or request additional information for compliance monitoring purposes to ensure compliance with this IEE, as necessary.

4.5 Implementing Partner (IP) Monitoring and reporting

4.5.1 The originator of the proposed project has reviewed the potential environmental impacts of the action summarized in the foregoing IEE.

4.5.2 IPs shall report on environmental compliance requirements as part of their routine project reporting to USAID.

5. Mandatory Inclusion of Requirements in Solicitations, Awards, Budgets and Workplans

5.1 Appropriate environmental compliance language, including limitations defined in Section 6, shall be incorporated into solicitations and awards for this activity and projects budgets shall provide for adequate funding and human resources to comply with requirements of this IEE.

5.2 Solicitations shall include Statements of Work with task(s) for meeting environmental compliance requirements and appropriate evaluation criteria.

5.3 Environmental mitigation and monitoring requirements, when available, shall also be included in solicitations and awards.

5.4 The IP shall incorporate conditions set forth in this IEE into their annual work plans.

5.5 The IP shall ensure annual work plans do not prescribe activities that are defined as limitations, as defined in Section 6.

5.6 The USAID Mission will include an indicator for environmental compliance as part of the project's performance monitoring plan.

6. Limitations of the IEE: This IEE does not cover activities (and therefore should changes in scope implicate any of the issues/activities listed below, a BEO-approved amendment shall be required), that:

6.1 Normally have a significant effect on the environment under §216.2(d)(1) [See http://www.usaid.gov/our_work/environment/compliance/regulations.html]

6.2 Support project preparation, project feasibility studies, engineering design for activities listed in §216.2(d)(1);

6.3 Affect endangered species;

6.4 Result in wetland or biodiversity degradation or loss;

6.5 Support extractive industries (e.g. mining and quarrying);

6.6 Promote timber harvesting;

6.7 Provide support for regulatory permitting;

6.8 Result in privatization of industrial or infrastructure facilities;

6.9 Lead to new construction of buildings or other structures;

6.10 Assist the procurement (including payment in kind, donations, guarantees of credit) or use (including handling, transport, fuel for transport, storage, mixing, loading, application, cleanup of spray equipment, and disposal) of pesticides or activities involving procurement, transport, use, storage, or disposal of toxic materials and /or pesticides (cover all insecticides, fungicides, rodenticides, etc. covered under the Federal Insecticide, Fungicide, and Rodenticide Act); and

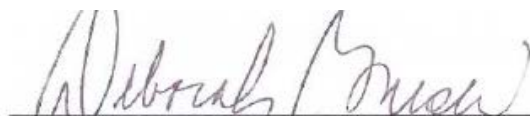
6.11 Procure or use genetically modified organisms.

7. Revisions

Under §216.3(a)(9), if new information becomes available that indicates that activities covered by the IEE might be considered major and their effect significant, or if additional activities are proposed that might be considered major and their adverse effect significant, this environmental threshold decision will be reviewed and, if necessary, revised by the Mission with concurrence by the BEO. It is the responsibility of the USAID COR/AOR to keep the MEO and BEO informed of any new information or changes in the activity that might require revision of this IEE.

8. Recommended Environmental Threshold Decision Clearances:

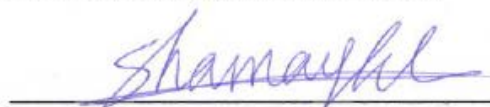
Approval :


 Deborah Grieser, Mission Director

Date

4/17/18

Clearance:


 Rabab Shamayleh, Deputy Mission Environmental Officer

Date

04/16/2018

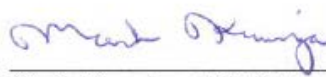
Clearance :


 Simon Sargsyan, AOR, SDO

Date

04/16/2018

Concurrence:


 Mark Kamiya, E&E Bureau Environmental Officer

Date

04/27/2018

Distribution:

IEE File

MEO (to also provide a copy to AOR/COR)

Annex A. Climate Risk Screening and Management Tool for Activity/Project/Strategy Design

1.1: Defined or Anticipated Tasks or Interventions *	1.2: Timeframe	1.3: Geography	2: Climate Risks*	3: Adaptive Capacity	4: Climate Risk Rating* [Enter rating for each risk: High, Moderate, or Low]	5: Opportunities *	6.1: Climate Risk Management Options	6.2: How Climate Risks Are Addressed in the Activity*	7: Next Steps for Activity Implementation	8: Accepted Climate Risks*
1.1 Train producers and MSMEs on: business management and operation practices and skills; O&M of equipment and facilities 1.2 Train service and information providers and knowledge 1.3 Provide technical training to farmers on production, harvesting	Next 0-5 years	The projects will be implemented in 10 marzes (regions) of Armenia	In coming 30 years: The average annual air temperature throughout the country will increase by up to 1.5C, the number of summer days (above 25°C) will increase. The number of frost days is	The climate is changing in the way that it have low level effect on professionals to be trained. The training services will be provided inside the buildings.	Low	Encourage farmers to take advantage of changes in temperature or precipitation that will extend the growing season and allow for additional harvests. Increase training and investment in more sustainable agricultural practices, such as water	Choose training venues that would be less impacted by inclement weather and to check the local weather conditions before the training dates to plan for bad weather and a back-up plan.	The Activity works with the Ministry of Agriculture to disseminate information about best techniques for integrated pest management.	N/A	None

and post-harvest techniques and practices 1.4 Assist with developing business relationships and addressing requirements of financial institutions to obtain capital for growth/expansion 1.5 Facilitate relationships between value-adding agribusinesses and smallholder/emerging commercial farmers 1.6 Facilitate market access to new domestic buyers and international			decreasing throughout Armenia. The annual number of hot days will increase. It is projected the overall precipitation will decrease, however, extreme weather events or heavy rain will increase.			conservation, prevention of soil erosion, increased use of natural soil amendments such as compost and manure. Encourage adoption of innovations in food processing, packaging, transport, and storage.				
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markets 1.7 Support farming and business/sect or associations and coops to develop marketing and branding campaigns 1.8 Facilitate linkages between and provide support to vocational education institutions, business service providers, and enterprises to improve training curricula and increase access to private sector-led skills development opportunities										
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2) Support in establishing new or improving the existing fruit/berry orchards	Next 0-5 years	The projects will be implemented in 10 marzes of Armenia	Same as above	The increased risk of natural disasters could require better developed evacuation plans.	Low	Same as above	N/A	Same as above	N/A	None
3) Support in establishing modern greenhouses	Next 0-5 years	The projects will be implemented in 10 marzes of Armenia	Same as above	Higher temperatures may increase a need for air conditioning of services; and an increased risk of natural disasters could require better developed evacuation	Low	Same as above	N/A	Same as above	N/A	None

				on plans.						
4) Early warning services to farmers regarding irrigation, pests and disease management (Component 1)	Next 0-5 years	The projects will be implemented in 10 marzes of Armenia	Same as above	Higher temperatures may increase a need for air conditioning; and an increased risk of natural disasters could require better developed evacuation plans.						
5) Ag light machinery repair	Next 0-5 years	The projects will be implemented in 10 marzes of Armenia	Same as above	The increased risk of natural disasters could require better developed	Low	Same as above	N/A	N/A	N/A	None

				evacuati on plans.						
6) Upgrade of production/processing facilities, including F&B	Next 0-5 years	The projects will be implemented in 10 marzes of Armenia	Same as above	Higher temperatures may increase a need for air conditioning of services; and an increased risk of natural disasters could require better developed evacuation plans.	Low	Same as above	N/A	N/A	N/A	None



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**ENVIRONMENTAL REVIEW CHECKLIST (ERC) for Identifying Potential Environmental
Impacts of Project Activities and Processes/ ENVIRONMENTAL MITIGATION AND
MONITORING PLAN
(EMMP)
ERC/EMMP**

for [Activity Name]

Implemented under: [*Project Name*]

DCN: [*of Parent IEE*]

Prepared by: [*Implementer*]

ENVIRONMENTAL REVIEW CHECKLIST FOR IDENTIFYING POTENTIAL ENVIRONMENTAL IMPACTS OF PROJECT ACTIVITIES AND PROCESSES

The Environmental Review Checklist for Identifying Potential Environmental Impacts of Project Activities and Processes (ERC) and Environmental Mitigation and Monitoring Plan (EMMP) is intended for use by implementing partners to: assess activity-specific baseline conditions, including applicable environmental requirements; identify potential adverse environmental effects associated with planned activity(s) and processes; and develop EMMPs that can effectively avoid or adequately minimize the identified effects. This ERC/EMMP may be substituted for other ERC/EMMP versions that may have been attached to previous initial environmental examinations (IEE). If implementing partners are in doubt about whether a planned activity requires preparation of an ERC, they should contact their Contracting Officer's Representative (COR)/Agreement Officer's Representative (AOR) for clarification. In turn, the COR/AOR should contact their Mission Environmental Officer (MEO) if they have any questions. In special circumstances and with approval of the BEO it is possible to have one very comprehensive ERC/EMMP for multiple projects if they are similar in scope. *(When preparing the ERC/EMMP, please indicate "not applicable" for items that have no bearing on the activity. The ERC/EMMP should be completed by an environmental specialist. **The ERC/EMMP must be completed and approved prior to the activity beginning.**)*

A. Activity and Site Information

Project Name: (as stated in the triggering IEE)	
Mission/Country:	
DCN of Most Recent Triggering IEE or Amendment:	
Activity/Site Name:	
Type of Activity:	
Name of Reviewer and Summary of Professional Qualifications:	
Date of Review:	

B. Activity Description

1. Activity purpose and need
2. Amount of activity
3. Location of activity
4. Beneficiaries, e.g., size of community, number of school children, etc.
5. Number of employees and annual revenue, if this is a business
6. Implementation timeframe and schedule
7. Detailed description of activity, items that will be purchased *(This section should fully describe what funds are being used for.)*
8. Detailed description of site, e.g., size of the facility or hectares of land; steps that will be taken to accomplish the activity;
9. Existing or planned certifications, e.g., ISO 14001 EMS, ISO 9000, HCCP, SA 8000, Global Gap, Environmental Product Declarations, Eco Flower, EcoLogo, Cradle to Cradle, UL Environment, GREENGUARD, Fair Trade, Green Seal, LEED, or various Forest Certifications
10. Site map, e.g., provide an image from Google Earth of the location
11. Photos of site, items to be purchased, engineering construction plans *(when available)*

C. Activity-Specific Baseline Environmental Conditions

1. Population characteristics
2. Geography
3. Natural resources, e.g., nearby forest/protected areas, ground and surface water resources
4. Current land use and owner of land
5. Proximity to public facilities, e.g. schools, hospitals, etc.
6. Other relevant description of current environmental conditions in proximity to the activity

D. Legal, Regulatory, and Permitting Requirements

1. National environmental impact assessment requirements for this activity
2. Applicable National or local permits for this activity, responsible party, and schedule for obtaining them:

Permit Type	Responsible party	Schedule
Zoning		
Building/Construction		
Source Material Extraction		
Waste Disposal		
Wastewater		
Storm Water Management		
Air Quality		
Water Use		
Historical or Cultural Preservation		
Wetlands or Water bodies		
Threatened or Endangered Species		
Other		

3. Additional National, European Union, or other international environmental laws, conventions, standards with which the activity might be required to comply
 - a. Air emission standards
 - b. Water discharge standards
 - c. Solid waste disposal or storage regulations
 - d. Hazardous waste storage and disposal
 - e. Historical or cultural preservation
 - f. Other

E. Engineering Safety and Integrity (for Sections E. and F., provide a discussion for any of the listed issues that are yes answers and likely to have a bearing on this activity)

1. Will the activity be required to adhere to formal engineering designs/plans? Have these been or will they be developed by a qualified engineer? If yes, attach the plans to the ERC/EMMP.
2. Do designs/plans effectively and comprehensively address:
 - a. Management of storm water runoff and its effects?
 - b. Reuse, recycling, and disposal of construction debris and by-products?
 - c. Energy efficiency and/or preference for renewable energy sources?
 - d. Pollution prevention and cleaner production measures?
 - e. Maximum reliance on green building or green land-use approaches?
 - f. Emergency response planning?
 - g. Mitigation or avoidance of occupational safety and health hazards?
 - h. Environmental management of mobilization and de-mobilization?

- i. Capacity of the host country recipient organization to sustain the environmental management aspects of the activity after closure and handover?
- 3. Are there known geological hazards, e.g., faults, landslides, or unstable soil structure, which could affect the activity? If so, how will the project ensure structural integrity?
- 4. Will the site require grading, trenching, or excavation? Will the activity generate borrow pits? If so, how will these be managed during implementation and closure?
- 5. Will the activity cause interference with the current drainage systems or conditions? Will it increase the risk of flooding?
- 6. Will the activity interfere with above- or below-ground utility transmission lines, e.g., communications, water, sewer, or natural gas?
- 7. Will the activity potentially interfere with vehicle or pedestrian traffic?
- 8. Does the activity increase the risk of fire, explosion, or hazardous chemical releases?
- 9. Does the activity require disposal or retrofitting of polychlorinated biphenyl-containing equipment, e.g., transformers or florescent light ballasts?

F. Environment, Health, and Safety Consequences

1. Potential impacts to public health and well-being

- a. Will the activity require temporary or permanent property land taking?
- b. Will activities require temporary or permanent human resettlement?
- c. Will area residents and/or workers be exposed to pesticides, fertilizer, or other toxic substances, e.g., as a result of farming or manufacturing? If yes, then there should be an approved, current PERSUAP on file and discuss how it will be used in this situation. If so, how will the project:
 - i. Ensure that these chemicals do not contaminate ground or surface water?
 - ii. Ensure that workers use protective clothing and equipment to prevent exposure?
 - iii. Control releases of these substances to air, water, and land?
 - iv. Restrict access to the site to reduce the potential for human exposure?
- d. Will the activity generate pesticide, chemical, or industrial wastes? Could these wastes potentially contaminate soil, groundwater or surface water?
- e. Will chemical containers be stored at the site?
- f. Does the activity remove asbestos-containing materials or use of building materials that may contain asbestos, formaldehyde, or other toxic materials? Can the project certify that building materials are non-toxic? If so, how will these wastes be disposed of?
- g. Will the activity generate other solid or hazardous wastes such as construction debris, dry or wet cell batteries, florescent tubes, aerosol cans, paint, solvents, etc.? If so, how will this waste be disposed of?
- h. Will the activity generate nontoxic, nonhazardous solid wastes (subsequently requiring land resources for disposal)?
- i. Will the activity pose the need to handle and dispose of medical wastes? If so, describe measures of ensuring occupational and public health and safety, both onsite and offsite.
- j. Does the activity provide a new source of drinking water for a community? If so, how will the project monitor water quality in accordance with health standards?
- k. Will the activity potentially disturb soil contaminated with toxic or hazardous materials?

- l. Will activities, e.g., construction, refurbishment, demolition, or blasting, result in increased noise or light pollution, which could adversely affect the natural or human environment?
- 2. Atmospheric and air quality impacts**
 - a. Will the activity result in increased emission of air pollutants from a vent or as fugitive releases, e.g., soot, sulfur dioxide, oxides of nitrogen, volatile organic compounds, methane.
 - b. Will the activity involve burning of wood or biomass?
 - c. Will the activity install, operate, maintain, or decommission systems containing ozone depleting substances, e.g., freon or other refrigerants?
 - d. Will the activity generate an increase in carbon emissions?
 - e. Will the activity increase odor and/or noise?
- 3. Water quality changes and impacts**
 - a. *How far is the site located from the nearest river, stream, or lake?(Non-yes/no question)*
 - b. Will the activity disturb wetland, lacustrine, or riparian areas?
 - c. *What is the depth to groundwater at the site? (Non-yes/no question)*
 - d. *Will the activity result in increased ground or surface water extraction? If so, what are the volumes? Permit requirements? (Non-yes/no question)*
 - e. Will the activity discharge domestic or industrial sewage to surface, ground water, or publicly-owned treatment facility?
 - f. Does the activity result in increased volumes of storm water run-off and/or is there potential for discharges of potentially contaminated (including suspended solids) storm water?
 - g. Will the activity result in the runoff of pesticides, fertilizers, or toxic chemicals into surface water or groundwater?
 - h. Will the activity result in discharge of livestock wastes such as manure or blood into surface water?
 - i. Does the site require excavation, placing of fill, or substrate removal (e.g., gravel) from a river, stream or lake?
- 4. Land use changes and impacts**
 - a. Will the activity convert fallow land to agricultural land?
 - b. Will the activity convert forest land to agricultural land?
 - c. Will the activity convert agricultural land to commercial, industrial, or residential uses?
 - d. Will the activity require onsite storage of liquid fuels or hazardous materials in bulk quantities?
 - e. Will the activity result in natural resource extraction, e.g., granite, limestone, coal, lignite, oil, or gas?
 - f. Will the activity alter the viewshed of area residents or others?
- 5. Impacts to forestry, biodiversity, protected areas and endangered species**
 - a. Is the site located adjacent to a protected area, national park, nature preserve, or wildlife refuge?
 - b. Is the site located in or near threatened or endangered (T&E) species habitat? Is there a plan for identifying T&E species during activity implementation? If T&E species are identified during implementation, is there a formal process for halting work, avoiding impacts, and notifying authorities?
 - c. Is the site located in a migratory bird flight or other animal migratory pathway?

- d. Will the activity involve harvesting of non-timber forest products, e.g., mushrooms, medicinal and aromatic plants (MAPs), herbs, or woody debris?
- e. Will the activity involve tree removal or logging? If so, please describe.

6. Historic or cultural resources

- a. Are there cultural or historic sites located at or near the site? If so, what is the distance from these? What is the plan for avoiding disturbance or notifying authorities?
- b. Are there unique ethnic or traditional cultures or values present in the site? If so, what is the applicable preservation plan?

G. Further Analysis of Recommended Actions *(Most activities will have a threshold determinations of negative determination with conditions..*

- ☐ **1. Categorical Exclusion:** The activity is not likely to have an effect on the natural or physical environment. No further environmental review is required.* (This is rarely used in the ERC/EMMP.)
- ☐ **2. Negative Determination with Conditions:** The activity does not have potentially significant adverse environmental, health, or safety effects, but may contribute to minor impacts that can be eliminated or adequately minimized by appropriate mitigation measures. ERC/EMMPs shall be developed, approved by the Mission Environmental Officer (MEO) and the BEO **prior to beginning the activity**, incorporated into workplans, and then implemented. For activities related to the procurement, use, or training related to pesticides, a PERSUAP will be prepared for BEO approval, PERSUAPS are considered amendments to the IEE and usually Negative Determination with Conditions. See Sections H and I below.*
- ☐ **3. Positive Determination:** The activity has potentially significant adverse environmental effects and requires further analysis of alternatives, solicitation of stakeholder input, and incorporation of environmental considerations into activity design. A Scoping Statement (SS) must be prepared and be submitted to the BEO for approval. Following BEO approval of the SS an Environmental Assessment (EA) will be conducted. The activity may not be implemented until the BEO clears the final EA. If the Parent IEE does not have Positive Determination as one of the threshold determinations, the IEE needs to be amended.
- ☐ **4. Activity Cancellation:** The activity poses significant and unmitigable adverse environmental effects. Adequate ERC/EMMPs cannot be developed to eliminate these effects and alternatives are not feasible. The project is not recommended for funding.

***Note regarding applicability related to Pesticides** (216.2(e): The exemptions of §216.2(b)(1) and the categorical exclusions of §216.2(c)(2) **such as technical assistance, education, and training** are not applicable to assistance for the procurement or use of pesticides.

H. EMMPs *(Using the format provided below list the processes that comprise the activity, then for each, identify impacts requiring further consideration, and for each impact describe the mitigation and monitoring measures that will be implemented to avoid or adequately minimize the impacts. All environment, health, and safety impacts requiring further consideration, which were identified in Section F., should be addressed)*

1. Activity-specific environmental mitigation plan *(Upon request, the MEO may be able to provide your project with example EMMPs that are specific to your activity.)*

Processes	Identified Environmental Impacts	Do the Impacts Require Further Consideration?	Mitigation Measures	Monitoring Indicators
List all the processes that	A single process may have several potential	For each impact, indicate Yes or No ; if No , provide	For each impact requiring further consideration,	Specify indicators to (1) determine if

Processes	Identified Environmental Impacts	Do the Impacts Require Further Consideration?	Mitigation Measures	Monitoring Indicators
comprise the activity(s) (e.g. asbestos roof removal, installation of toilets, remove and replace flooring) A line should be included for each process.	impacts—provide a separate line for each.	justification, e.g.,: (1) There are no applicable legal requirements including permits or reporting and (2) There is no relevant community concern and (3) Pollution prevention is not feasible or practical and (4) Does not pose a risk because of low severity, frequency, or duration	describe the mitigation measures that will avoid or adequately minimize the impact. (If mitigation measures are well-specified in the IEE, quote directly from IEE.)	mitigation is in place and (2) successful. For example, visual inspections for seepage around pit latrine; sedimentation at stream crossings, etc.)

2. Activity-specific monitoring plan

Monitoring Indicators	Monitoring and Reporting Frequency	Responsible Parties	Records Generated
Specify indicators to (1) determine if mitigation is in place and (2) successful (for example, visual inspections for seepage around pit latrine; sedimentation at stream crossings, etc.)(Taken from column 5 of the environmental mitigation plan above.)	For example: “Monitor weekly, and report in quarterly reports. If XXX occurs, immediately inform USAID COR/AOR.”	Separate parties responsible for mitigation from those responsible for reporting, whenever appropriate,	If appropriate, describe types of records generated by the mitigation, monitoring, and reporting process.

ERC/EMMP ANNEX 1

Certification of No Adverse or Significant Effects on the Environment

I, the undersigned, certify that activity-specific baseline conditions and applicable environmental requirements have been properly assessed; environment, health, and safety impacts requiring further consideration have been comprehensively identified; and that adverse impacts will be effectively avoided or sufficiently minimized by proper implementation of the EMMP(s) in Section H. If new impacts requiring further consideration are identified or new mitigation measures are needed, I will be responsible for notifying the USAID COR/AOR, as soon as practicable. Upon completion of activities, I will submit a ***Record of Compliance with Activity-Specific EMMPs*** using the format provided in ERC Annex 2.

Implementer Project Director/COP Name

Date

Approvals:

_____ USAID COR/AOR Name	_____ Date
_____ Mission Environmental Officer Name	_____ Date

Concurrence:

Mark Kamiya, Bureau Environmental Officer

Date

Distribution:

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- IEE Files

ERC/EMMP ANNEX 2
RECORD OF COMPLIANCE WITH ACTIVITY-SPECIFIC
ENVIRONMENTAL MITIGATION AND MONITORING PLANS (EMMPs)

Subject:	<i>Site or Activity Name/Primary Project</i>
IEE DCN:	
To:	<i>COR/AOR/Activity Manager Name</i>
Copy:	<i>Mission Environmental Officer Name</i>
Date:	

The [*name of the implementing organization*] has finalized its activities at the [*site name*] to [*describe activities and processes that were undertaken*]. This memorandum is to certify that our organization has met all conditions of the EMMPs for this activity. A summary and photo evidence of the how mitigation and monitoring requirements were met is provided below.

1. Mobilization and Site Preparation
2. Activity Implementation Phase
3. Site Closure Phase
4. Activity Handover

Sincerely,

Implementer Project Director/COP Name

Date

Approved:

_____ USAID/COR/AOR/Activity Manager Name	_____ Date
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Distribution:

- Project Files
- MEO
- Bureau Environmental Officer

Annex 3: EMMP. Environmental Mitigation and Monitoring Plan for activities under Small Grants Component

(Select appropriate activity type)

No construction activities will take place, EMMPs for such activities are relevant for any TA related to construction and rehabilitation.

Activity	Identified Environmental Impacts	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring and Reporting Frequency	Responsible Party(ies)
1.1 Equipment procurement	Equipment can have potential impacts on land, water, air and human health, such as: - High energy consumption - Sewer Discharge effluent - Polluted drain water - Fryer --exhaust air pollutants, etc. - Noise, Odor & Visual Quality Impacts Resource Depletion & Indirect Impacts From Energy & Water Use	Equipment procurement plans include environmental considerations. Proper equipment and appropriate technology should be used to minimize the environmental impact such as: - Energy/Water/thermal efficient and cost effective food processing equipment including homogenizers, evaporators, heat exchangers, stainless steel tanks and refrigerators with less Global Warming Potential (GWP) and Ozone Depletion Potential (ODP) etc. - Sound enclosures & noise barriers, equipment with low noise ratings - Pollution Control Applications: Heat Exchanger, Oil Mist Eliminator, Drain Water Cleanup and Starch Recovery Systems, Heat Recovery, Oil/Water Separator etc. - Develop plans & specifications that address resource depletion reduction for retrofits and document why selected equipment chosen over reasonable alternatives in context of efficiency - Installation of procured equipment to be conducted by an authorized company	Documented procurement plan as part of application and grant agreement (if awarded). Equipment selection criteria include the environmental aspects Resource depletion reduction plans & specifications to justify why selected equipment chosen over reasonable alternatives in context of efficiency.	During the application review and full proposal design process, before the grant awarding	IP is responsible for monitoring and reporting. Grant applicant is responsible for implementation of mitigation measures
1.2 Identification of equipment suppliers	Supplied equipment can have potential impacts on land, water, air and human health	- Select the suppliers with proven experiences to provide high-quality environmentally sound service - Select the equipment with minimal impact on environment	- Evaluate the experience/reputation of suppliers; - Review the technical characteristics of suggested by suppliers equipment - Documented procurement plan	Before equipment suppliers are chosen by grant applicant	IP Financial manager, environmental specialist, IP technical evaluation committee. Grant applicant is responsible for implementation of mitigation measures

1.3 Selection of site	Inadequately selected site can cause negative impacts: - Ground water quality - Surface water quality - Geological structural instability - Habitat and wetland alteration - Tree cutting and habitat degradation. - Disturbance of contaminated soil - Disturbance of residential areas, schools, hospitals - Disturbance of cultural resources - Fuel consumption associated with transit time between facility and farm sites. - Disruption of gas or electric utilities	Avoid siting in areas with shallow groundwater table or porous soils. - Avoid siting outside of an area that has known flooding potential. Locate more than 30 meters from a water body to minimize risk of contaminated storm water. - Avoid areas prone to landslide or in known fault areas - Avoid siting in critical habitat areas or wetlands. - Location of buildings where least disturbance of resources required. - Avoid that have known hazardous waste contamination or ensure plan for remediating waste. - Avoid siting within 100 meters of occupied residential areas and within 1 km of operating schools and hospitals. - Area with buildings should be located at least 9 m from overhead power lines. - Avoid disturbing or damaging cultural resources. Obtain appropriate permit. - Minimize transit distance between refueling, maintenance and washing facilities - Identify underground and overhead utility structures and avoid interference with them.	Documented site visit memo of Initial Environmental screening / Environmental Due Diligence Report documenting any potential environmental concerns: - Visual inspection of site and its surroundings to identify soil structure, and potential of landslides, erosion or flooding. - In case of any sign of flooding or geological instability found during the visual inspection: <i>a)additional hydro geological expertise is required</i> <i>b)gathering some statistics by interviewing the local population and/or obtaining official, reliable information, when available</i> - Visual inspection of site and its surroundings to identify critical points - Revision and inspection of planning documents, construction or any other permits.	During the application eligibility revision process (Initial Environmental Screening). Before the applications are chosen for further consideration	IP Environmental Specialist, field coordinators, M&E specialist, IP technical evaluation committee. Grant applicant is responsible for implementation of mitigation measures
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1.4 Site cleaning and preparation	- Site clearance waste - Dust emissions - Temporary drainage impairment - Noise and traffic nuisance - Soil compaction and contamination - Vegetation loss	Design and Implement mobilization plans that optimize avoidance of environmental impact - Use designated landfill site for material disposal - Implement measures to minimize drainage impacts - Clearly delineate boundaries and minimize staging area footprints - Minimize disturbance of native flora during construction. - Minimize the amount of clearing. Clear small areas for active work one at a time - Where possible, remove large plants and turf without destroying them, and preserve them for replanting in temporary nurseries - Move earth and remove vegetation only during dry periods. Store topsoil for re-spreading. If vegetation must be removed during wet periods, disturb ground only just before actual construction - Install temporary erosion control features when permanent ones will be delayed. Use erosion control measures such as hay bales, berms, straw or fabric barriers - Re-vegetate with recovered plants and other appropriate local flora immediately	- Conformance with mobilization plan - Shipping manifests, landfill - Receipts, photo logs - Number of documented actions - Placement of signs and perimeter markings - Vegetation surveys - Visual inspection of site	At the start of the activity and at least monthly thereafter	IP Environmental Specialist, field coordinators, M&E specialist Grant applicant is responsible for implementation of mitigation measures
1.5 Design and planning of construction/rehabilitation	Construction/rehabilitation can have potential impacts on land, water, air and human health	Construction and/or rehabilitation plans include environmental considerations including: - Develop a documented waste management plan - Develop a documented safety plan and apply only environmentally safe construction materials (no asbestos). - Design building includes installation of water, heating, ventilation, sewage system, and restrooms - Separate machinery from spare parts room and install steel doors, shelves, iron tables - Post appropriate warning signage - Develop worker safety training manual - Best management practices (BMP) for controlling erosion and storm water impacts should be respected; In case of any sign of risk of erosion and storm water impacts the respective BPM should be designed into the project - Plan to construct water diversions, concrete laneways to prevent runoff from entering both surface and groundwater and to minimize the volume of effluent - Plan for installing rainwater collection system around the farm store building	Documented design plan reflected in ERC (Environmental Review Checklist) and enclosed to Grant agreement, including: waste management plan, safety plan storm water BMPs etc.	During the full proposal development process, before grant approval	IP Environmental Specialist, field coordinators, M&E specialist, IP technical evaluation committee. Grant applicant is responsible for implementation of mitigation measures

1,6 Small-scale on farm production efficiency improvements (e.g. hail net, mulch, farm equipment)	On-farm equipment and new production methods may have a potential impacts on land, water, and human health	- Apply, as relevant, mitigation measures related to equipment procurement - Promote, as relevant, good agricultural practices including climate-resilient agriculture in primary production such as soil testing to determine appropriate fertilization needs; good fertilizer application practices to avoid surface and ground water pollution; avoid working wet soil to avoid soil compaction; apply soil conservation measures (such as crop rotation, cover crops, conservation tillage, planted windbreaks) to prevent soil loss from erosion or reduced fertility due to over usage or salinization; - Apply environmental mitigation and monitoring measures for safe use of pesticides described in the approved PERSUAP - Any wastes generated on site shall be transferred to an authorized landfill - Apply health and safety measures, as relevant, including staff training on safe use of materials/equipment/method; presence of first aid kit etc.	-		
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1.7 Small -scale processing and production efficiency improvements in processing and packing facilities (e.g. sorting line, packing line, drying kiln)	Operation and Maintenance of equipment in food processing/packing facilities may have potential impacts on land, water, air and human health - Soil, Surface and Ground Water - Air Pollution Impacts - Noise, Odor & Visual Quality Impacts - Non efficient Use of Energy and Water Resources - Impacts to Sensitive Ecologies or Habitat Degradation - Impact on Human Health Food processing creates substantial amounts of organic and inorganic wastes. Harmful wastes disposed of in pits or waterways can leach into groundwater and affect water quality for workers and the community. Contamination of water sources may not occur immediately, but can increase or accumulate over time, eventually damaging to product quality and affecting workers' health. Broken jars unless disposed in special containers may present health and safety risks and pollute the soil.	- Day- to- day maintenance and repair activities to keep equipment safe and reliable - Establish and maintain an effective waste management, disposal, and waste reduction system. a) Soil and water pollution prevention - Ensure adequate storage of damaged fruits and their safe reutilization or transportation - Ensure existence of wastewater treatment as needed: - Septic Tanks: Use for wastewater with low BOD loading & domestic sewage. Include maintenance/cleaning & install drain fields - Select appropriate storage tank or water treatment based on anticipated operations and resultant run-off varieties. - Ensure that wash water does not flow into area surface water - For higher strength BOD wastewaters (e.g., peppers, potatoes, dairies), install treatment for BOD - Install equalization for periodic cleanup waste, oil removal for greases & edible oils, & treatment for special wastes - Ensure existence of drainage area with non-porous surface, at slight gradient toward drain to minimize risk of run-off and soil/groundwater contamination - Ensure onsite storage tank to store rinse water until such time the municipal collectors can remove 'skim' and/or apply necessary treatment and water is OK for discharge into local sewage system or area surface water bodies - Implement water conservation & re-use measures whenever appropriate - When refueling and/or equipment maintenance will be conducted on-site, ensure that any on-site repairs are conducted in designated area with non-porous surface from which rinse water and spilled fuels/oils can access drainage area described above- b) Air pollution prevention - Use environmentally acceptable fuels for dryers & heating equipment. Replace fuels with high greenhouse gas emissions (e.g., coal) with clean fuels like natural gas if possible - Use efficient low emission production equipment with high energy efficient ratings & use low emission burners in boilers - Limit use of hot water, reduce energy demand of lighting &	- Documented waste management plan - Visual inspections of sites/operation and storage areas. - Quality of wastewater (Oil & Grease, - Chemical and biological parameters). - Review of types of waste (solid, liquid) and waste quantity - Existence of separate containers for solid, liquid and hazardous waste - Availability of waste disposal service company and/or recyclers; - Complaints from nearby residents - On-site energy and water use documented measures taken to minimize noise, water, air, land pollution - Concentration of relevant pollutants in waste water (mg/m3) - Quantity of wastewater (m3) - Water meter installed; - Documented plans & specifications that address resource depletion reduction for retrofits - Inspection of collected natural agricultural products - Number of public meetings - Permits - Certifications	At project initiation, at least quarterly during operation.	IP Environmental Specialist, field coordinators, M&E specialist. Grant applicant is responsible for implementation of mitigation measures
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Activity	Identified Environmental Impacts	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring and Reporting Frequency	Responsible Party(ies)
		production equipment c) Noise, Odor prevention. - Use sound enclosures & noise barriers, equipment with low noise ratings - Provide ventilation to reduce smoke, vapor & odor in the workplace d) Ensure resource efficiency - Perform regular maintenance to optimize performance on heating, cooling, & lighting systems to maximize efficiency - Limit water use when washing food product and rinsing equipment; utilize dry cleaning of equipment whenever possible - Limit water use when washing food product and rinsing equipment; utilize dry cleaning of equipment whenever possible - Optimize process line operations to avoid spills of raw materials and water, reducing the need to wastewater treatment and associated energy consumption e) Minimize impact to sensitive ecologies - Trainings on protection of endangered species, native plants & wildlife (i.e. during collection of Medicinal or Aromatic Products (MAPs), berries & mushrooms) - Seek organic certifications for production of agricultural products where possible - Training on organic certification standards and/or Global GAP certification standards for agriculture production and processing f) Impact on human health - (REFER TO STANDARD MEASURES UNDER WORKER HEALTH AND SAFETY)			
1.8 Procurement and upgrading of cold storages and/or equipment related to cold storage	Cold storages may have potential impacts on land, water, air and human health a. Soil, Surface and ground Water b. Air Pollution Impacts c. Noise, Odor & Visual Quality Impacts d. Non efficient Use of Energy and Water	- Day- to- day maintenance and repair activities to keep equipment safe and reliable - Establish and maintain an effective waste management, disposal, and waste reduction system. a) Soil and water pollution prevention - Proper application of cold storage technologies, implement good management practices - Ensure adequate storage of damaged fruits and their safe reutilization or transportation b) Air pollution prevention	- Visual inspections of sites/operation and storage areas. - Review of types of waste (solid, liquid) and waste quantity - Existence of separate containers for solid, liquid and hazardous waste - Availability of waste disposal	At project initiation, at least quarterly during operation.	IP Environmental Specialist, field coordinators, M&E specialist. Grant applicant is responsible for implementation of mitigation measures

	Resources e. Impacts on Human Health	- Use environmentally acceptable fuels for dryers & heating equipment. Replace fuels with high greenhouse gas emissions (e.g., coal) with clean fuels like natural gas if possible - Use Freon R404A as refrigerant or other environment friendly and freon-free options - Use efficient low emission production equipment with high energy efficient ratings - Limit use of hot water, reduce energy demand of lighting & production equipment c) Noise, Odor prevention. - During operations, the engine covers of generators, air compressors and other powered mechanical equipment should be closed, and equipment placed as far away from residential areas as possible - Use sound enclosures & noise barriers, equipment with low noise ratings - Provide ventilation to reduce smoke, vapor & odor in the workplace - Tightly close doors of the facility d) Ensure resource efficiency - Perform regular maintenance to optimize performance on heating, cooling, & lighting systems to maximize efficiency - Limit water use when washing food product and rinsing equipment; utilize dry cleaning of equipment whenever possible - Limit water use when washing food product and rinsing equipment; utilize dry cleaning of equipment whenever possible - Optimize process line operations to avoid spills of raw materials and water, reducing the need to wastewater treatment and associated energy consumption - Select appropriate insulation panels and doors in order to decrease heat penetration in the cold room. e) Worker Safety Measures - Conduct regular instructing of personnel on health and occupational safety requirements - An Emergency Preparedness Plan (EPP) for Refrigerant/Freon Management should be displayed in a proper place and the staff must be trained in handling of refrigerants leakage should it occur - Installation of the forced air cooling equipment is conducted	service company and/or recyclers; - Complaints from nearby residents - On-site energy and water use documented measures taken to minimize noise, water, air, land pollution - Inspection of collected natural agricultural products - Permits - Certifications		
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Activity	Identified Environmental Impacts	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring and Reporting Frequency	Responsible Party(ies)
		by an authorized company in accordance with producer's installation and operation manual. Access restricted to authorized personnel only. - Avoid air pollution and worker poisoning, special indicators of the potential refrigerant/Freon spillage should be installed near the freezing equipment - Ensure gas masks and protective gear to comply with safety rules for ammonia/Freon refrigerating systems - IN ADDITION REFER TO STANDARD WORK HEALTH AND SAFETY MEASURES AAS RELEVANT			

1.9 Procurement and use of equipment for a laboratory for agriculture	Use of laboratory equipment may have potential impacts on land, water, air and human health - Soil, Surface and ground Water - Air Pollution Impacts - Noise, Odor & Visual Quality Impacts - Non efficient Use of Energy and Water Resources - Impacts on Human Health	- Implementation of Good Laboratory Practices (GLP), including biosafety and biosecurity practices - Day- to- day maintenance and repair activities to keep equipment safe and reliable - Establish and maintain an effective waste management, disposal system a) Soil and water pollution prevention - Temporarily store on site all hazardous or toxic substances in safe containers labeled with details of composition, properties and handling information - The containers of hazardous substances should be placed in a leak-proof container to prevent spillage and leaching - The wastes are to be transported by specially licensed carriers and disposed in a licensed facility, on authorized special toxic wastes disposal sites - Use alternatives to reagents with harmful ingredients where it is feasible - Avoid larger test kits with more packaging as such kits use more refrigerator and storage space, and therefore have greater energy requirements. b) Air pollution prevention - Use efficient low emission production equipment with high energy efficient ratings - Limit use of hot water, reduce energy demand of lighting & production equipment c) Noise, Odor prevention. - Provide ventilation to reduce smoke, vapor & odor in the workplace d) Ensure resource efficiency - Perform regular maintenance to optimize performance on heating, cooling, & lighting systems to maximize efficiency - Conduct daily “ end of day ” laboratory and office walkthroughs and manually close fume hoods, switch off lights, instruments, computers and office equipment. - Identify analytical equipment and processes which can be shut down when not in use and/or batch processed when constant operation is not necessary. e) Worker Safety Measures - Conduct regular instructing of personnel on health and occupational safety requirements including biosafety and biosecurity, as relevant - IN ADDITION REFER TO STANDARD WORK HEALTH AND SAFETY MEASURES	- Documentation of laboratory procedures and staff training on safe handling of materials, as well as their storage, treatment and disposal, good hygiene, use of proper protective clothing, proper packaging and labeling, and appropriate courses of action for spills, injury and exposure. - Certifications e.g. ISO 9000 and ISO17025	At project initiation, at least quarterly during operation.	IP Environmental Specialist, field coordinators, M&E specialist. Grant applicant is responsible for implementation of mitigation measures
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1.10 Worker Health and Safety	Potential impacts on human health, environment and natural resources; Certain working conditions – excessive heat caused by operating machinery, lack of ventilation, skin-irritating acids from fruits – can damage workers’ health. An unhealthy workforce may be unproductive, miss work too often and make costly mistakes.	Worker Safety Measures - Installation of procured equipment to be conducted by an authorized company - Ensure workers have access to all necessary PPE for working with on-site equipment and/or handling products - Ensure workers are complying with training procedures - Ensure workers are complying with guidance of training on proper use of on-site equipment - Establish and maintain documented safety procedures and ensure workers/equipment users understand and follow safety instructions supplied on equipment labels and or described in appropriate guidelines/protocols - Establish and maintain worker safety training programs, - All users of the machinery/equipment/operation system been given adequate training in safe operation, correct use, risks and precautions - Design the Equipment Safety checklist for high hazard apparatus to be completed regularly by responsible parties/users - Schedule regular machine maintenance checks and repairs - Make available where necessary medical and chemical protection and first aid kits. - Establish and maintain a fire control system and fire-fighting equipment. - Control access to Operational and maintenance areas and clearly display signs to enhance avoidance of hazards. - Ensure properly storage and handle of chemicals used for preservation, depending on the methodology for its application in the processing. Design facilities to ensure adequate ventilation for the potential heating and other smoke, vapor or odor sources during operation. - Properly maintain ventilation systems to control vapors, reduce smoke in the workplace.	- Number of trained workers, - Knowledge/skills of workers, - Documented safety regulations and operational guidelines - Documented Equipment Safety checklist - Documented waste management plan - Number of conducted trainings - Inspection of protective equipment available, - Inspection of medical, chemical protection and first aid kits - Inspection of fire protection equipment. - Inspection of ventilation system - Number of accidents and injuries (workers, visitors) - Existence of precaution signs and control system to access equipment./operation maintenance and storage area - Interviewing of workers	At project initiation, at least quarterly during operation. Periodic site visits for verification	IP Environmental Specialist, field coordinators, M&E specialist. Grant applicant is responsible for implementation of mitigation measures
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1.11 Pesticides and synthetic chemicals safety	Potential impacts on human health, environment and natural resources	- Conduct “Agricultural pesticides ” training topic based on PERSUAP - Provide employees with information about exposure to pesticides, personal protective equipment, and ways to mitigate exposure to pesticides - Frequent registrations pesticide for greenhouse crops - Prohibit workers and other persons from entering the entire enclosed area until the restricted entry interval (REI) expires - Minimize exposure during mixing, application, and cleanup operations - Use protective equipment - Adequately ventilate the greenhouse before allowing workers to enter - If the pesticide is applied as a fumigant, smoke, mist, fog, aerosol, or requires the applicator to wear a respirator, then specific ventilation requirements apply	- Number of PERSUAP trained workers	At project initiation. Periodic site visits for verification	IP Environmental Specialist, field coordinators, M&E specialist. Grant applicant is responsible for implementation of mitigation measures
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