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**United States Agency for International Development (USAID)  
USAID/Moldova  
Request for Categorical Exclusion (RCE)**

**Program/Project/Activity Data:**

Activity/Project Name:	<b>Moldova Civil Society Resiliency Activity</b>	
Assistance Objective:	<b>2. Governing Justly and Democratically</b>	
Program Area:	<b>2.4 Civil Society</b>	
Country(ies) and/or Operating Unit:	<b>Moldova</b>	
Originating Office:	<b>Moldova/DG</b>	Date: <b>October 2021</b>
PAD Level RCE: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	DCN of Original RCE/IEE:	
RCE/IEE Amendment: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	DCN of Amendment(s):	
Supplemental RCE: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
If Yes, Purpose of Amendment:		
DCN(s) of Related EA/IEE/RCE/ER(s):		
Implementation Start/End:		LOP: 2022-2026
Funding Amount:		LOP Amount: \$1,500,000
Contract/Award Number (if known):		
<b>Recommended Determination:</b> Categorical Exclusion		
<b>Additional Elements:</b>		
Government to Government: <input type="checkbox"/> Local Procurement: <input checked="" type="checkbox"/> Donor Co-Funded: <input type="checkbox"/>		
Sustainability Analysis (included): <input checked="" type="checkbox"/> Climate Change Vulnerability Analysis (included): <input checked="" type="checkbox"/>		

**1. Project and Activity Description**

**1.1 Purpose and Scope of RCE:**

The RCE will cover the Moldova Civil Society Resiliency Activity (CSRA), an activity that aims to increase the resiliency of Moldovan civil society by enhancing the ability of civil society organizations (CSOs) to engage with constituents and diversify their resource base. The activities under the CSRA will not have an effect on the natural or physical environment and are among the classes of activities listed in 22 CFR 216.2(c)(2). The total estimated cost of the activity is \$1,500,000. The activity will be implemented in the FY 2022-FY 2026 timeframe.

**1.2 Project Overview:**

The primary purpose of the Moldova Civil Society Resiliency Activity (CSRA) is to increase the resiliency of Moldovan civil society by enhancing the ability of civil society organizations (CSOs) to engage with constituents and diversify their resource base and by empowering and connecting new civic actors. The activity will broadly define civil society to include not only well-established, registered CSOs

but also unregistered civic groups, issues-based groups and civic movements. To achieve activity goals, CSRA will have the following objectives: 1) Empower and connect new civic actors and enhance constituency engagement; and 2) Increase domestic resource mobilization.

**2. Project Description and Climate Risk Screening**

The CSR activity will improve the resiliency of the Moldovan civil society through:

2.1 Component/Expected Result 1: Enhanced Constituency Engagement. A majority of Moldovan CSOs struggle to establish and maintain relationships with constituents. CSOs overreliance on foreign donors for their survival has forced organizations to spend much of their time and energy on proposal writing and donor reporting, rather than communicating their missions, objectives, and activities to citizens. This dependency has also encouraged CSOs to prioritize objectives that are not necessarily citizen driven and has prevented them from becoming more specialized, in an effort to quickly pivot to shifting donor priorities. Over the past two years, a growing number of Moldovan citizens have begun to create new initiative groups. The global COVID-19 pandemic intensified this development as many new informal groups were quickly stood up to respond to the new, previously unanticipated needs of Moldovan citizens. Many of these new initiative groups have been issues-based and represent an excellent opportunity for Moldovan citizens to mobilize around specific areas that are meaningful to them. These events provide a potential roadmap for more formal engagement of well-established CSOs with constituents.

**Illustrative Activities/Results:**

- Conduct activities (e.g., conferences, training, meetings) to build relationships and networks between formal and informal groups, helping the latter to amplify their messaging, and extend the reach and impact of their activities in an organic manner that is grounded in constituency building.
- Work with Local Action Groups (LAGs) to improve CSO constituency engagement practices, such as consulting with citizens and engaging them in the decision-making process.
- Through education, training, and outreach (and building on LAGs experience in constituency identification and engagement best practices), increase the level of trust Moldovan citizens have in CSOs, which will result in an increase in citizen-engagement in CSO-led activities.
- Provide flexible financial and technical support to organizations to develop organizational missions and strategic plans that are responsive to citizen needs and priorities.
- Train and capacitate organizations to develop strong constituency outreach, communications, and engagement plans, leading to enhanced constituency engagement.

<b>Defined or illustrative activities under Component 1. Enhance Constituency Engagement</b>	<b>Potential Climate Risk</b>	<b>Climate Risk Rating*</b>
2.1.1 Build relationships and networks between formal and informal groups (conferences, training, meetings)	Low climate risk potential expected	Low climate risk
2.1.2 Work with Local Action Groups (LAGs) to improve CSO constituency engagement practices	Low climate risk potential expected	Low climate risk

2.1.3 Outreach activities to increase the level of trust Moldovan citizens have in CSOs	Low climate risk potential expected	Low climate risk
2.1.4 Provide flexible financial and technical support to organizations to develop organizational missions and strategic plans	Low climate risk potential expected	Low climate risk
2.1.5 Train and capacitate organizations to develop strong constituency outreach, communications, and engagement plans	Low climate risk potential expected	Low climate risk

2.2. Component/Expected Result 2: Increased Domestic Resource Mobilization. Moldovan CSOs dependence on external foreign funding remains significant. Researchers estimate that over 70% of CSOs annual revenue comes from foreign grants. This dependency on foreign funding effectively limits the sustainability and resiliency of the CSO sector. Despite this dependency, there have been positive trends in resource diversification in the past several years. Social entrepreneurship and crowdfunding initiatives are improving. National crowdfunding platforms such as Sprijina.md and Caritate.md are successfully collecting individual donations for social causes and support for community projects is of particular interest for many individuals who donate. An additional new crowdfunding platform was created in 2020, particip.md, which aims to support charitable and community development projects. CSOs are also increasingly engaging in economic and social enterprise activities. Citizens are growing increasingly confident in CSOs. According to the Institute for Public Policy’s Barometer of Public Opinion (BPO) from June 2020, 29% of the population expressed confidence in NGOs, an increase from 19% in 2019, which may result in increased willingness among citizens to donate funding, volunteer their time, or seek out services from CSOs. CSOs are also eligible to receive funding via grants and service contracts directly through the public budget, which can represent an important source of income, especially when funding is competitively and transparently awarded. Engagement with the private sector and corporate social responsibility remains limited but represents an important potential area for engagement.

The legal enabling environment as it relates to domestic resource mobilization is improving, however weaknesses remain. Recent changes to the tax code, which enable citizens to direct up to 2 percent of their owed income tax to CSOs has motivated many groups to strengthen their outreach in an effort to persuade citizens to donate to them. These outreach efforts were proven successful when in 2019, 20 percent more taxpayers supported CSOs through the tax mechanisms as compared to 2018. On the negative side, the current regulations do not encourage corporations to donate to CSOs and standardized tax reporting forms do not allow smaller, not VAT companies the opportunity to deduct charitable donations.

**Illustrative Activities/Results:**

- Train and assist CSOs to engage in a wide range of domestic resource-mobilization activities, including in the areas of crowdfunding, social entrepreneurship, and public private partnership; resulting in better ability to mobilize domestic resources in response to community needs and citizen-driven priorities.
- Support development of crucial business management, communications, and accountability skills in support of income-generating and crowdfunding activities, resulting in diversified funding for local organizations.

- Improve the legal enabling environment to more actively promote public and private giving, contributing to the result of reduced CSO dependency on foreign donors and increased sustainability and resiliency of the sector.

<b>Defined or illustrative activities under Component 2. Increase Domestic Resource Mobilization</b>	<b>Potential Climate Risk</b>	<b>Climate Risk Rating*</b>
2.2.1 Assist CSOs to engage in a wide range of domestic resource-mobilization activities, including in the areas of crowdfunding, social entrepreneurship, and public private partnership	Low climate risk potential expected	Low climate risk
2.2.2 Support development of crucial business management, communications, and accountability skills in support of income-generating and crowdfunding activities	Low climate risk potential expected	Low climate risk
2.2.3 Improve the legal enabling environment to more actively promote public and private giving	Low climate risk potential expected	Low climate risk

\* Note: CSRA involves only capacity-building support to CSOs and no physical activities that may impact the environment.

2.3. Sustainability Analysis Summary. Financial viability continues to be the weakest dimension of CSO sustainability in Moldova. The formal CSO sector remains heavily dependent on foreign grants, and it is estimated that such grants account for more than 70 percent of annual revenues of officially registered Moldovan organizations. Additionally, many Moldovan CSOs fail to effectively communicate and involve Moldovan citizens in their activities. This lack of constituency engagement undermines the legitimacy of CSOs, which impacts their long-term sustainability. CSRA will capacitate Moldovan CSOs to effectively communicate and engage with citizens, thereby increasing their legitimacy and sustainability. At the same time, CSRA will address the issue of poor CSO financial viability by working with organizations to mobilize domestic resources, which will also contribute to improving the overall sustainability and self-reliance of the sector.

2.4. Climate Change Vulnerability Analysis Summary. CSRA benefits from the fact that the Moldova Mission integrated climate change in the CDCS development in compliance with ADS 201.mat. In July 2020, the CDCS design team, supported by the USAID/Washington E3 GCC Office Team, and the Mission CIL organized a number of brainstorming sessions in order to screen and identify potential climate risks to each of the development objectives (DOs) and intermediate results (IRs). The Economic Growth (EG) and Democracy and Governance (DG) CDCS design groups reviewed the findings in the initial screening and revised it to reflect current and future programming priorities. The results are summarized in the strategy screening matrix Annex to the CDCS and also in the attached Annex A of this RCE. The climate change vulnerability analysis aimed to inform the CDCS, make it responsive to climate risks, and help ensure it strengthens Moldova’s resilience and self-reliance. The Mission is committed to these goals, including in the design and implementation of CSRA. For more detail, please see also Annex A Climate Risk Screening and Management Tool for CSRA Activity/Design.

**3. Justification for Categorical Exclusion Determination**

The activities under the **Moldova Civil Society Resiliency Activity** will not have an effect on the natural or physical environment and are among the classes of activities listed in 22 CFR 216.2(c)(2). Therefore, under §216.2(c)(1), neither an IEE nor an EA will be required for these activities. Instead, a categorical exclusion threshold determination is recommended for the following identified activities under 22 CFR 216.2(c)(2):

- Components 1 and 2: activities 2.1.1; 2.1.4; 2.1.5 and 2.2.1 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.);
- Components 1 and 2: activities 2,1,2; 2.1.3 and 2.2.3. under §216.2(c)(2) (iii)Analyses, studies, academic or research workshops and meetings;
- Components 1 and 2: activities 2,1,2; 2.1.4; 2.2.1 and 2.2.2; under §216.2(c)(2)(v) Document and information transfers;

**4. Limitations of the Categorical Exclusion Determination:**

This categorical exclusion does not cover classes of actions normally having a significant effect on the environment under §216.2(d):

- (i) Programs of river basin development;
- (ii) Irrigation and water management;
- (iii) Agricultural land leveling;
- (iv) Drainage projects;
- (v) Large scale agricultural mechanization;
- (vi) Resettlement projects;
- (vii) New land development;
- (viii) Penetration road building and road improvement;
- (ix) Power plants;
- (x) Industrial plants; and
- (xi) Potable water and sewerage projects

In addition, this categorical exclusion does not cover activities that:

- Support project preparation, project feasibility studies, engineering design for activities listed in §216.2(d)(1);
- Affect endangered species;
- Provide support to extractive industries (e.g., mining or quarrying);
- Promote timber harvesting;
- Lead to construction, reconstruction, rehabilitation, or renovation work;
- Support agro-processing or industrial enterprises;
- Provide support for regulatory permitting;
- Lead to privatization of industrial facilities or infrastructure with heavily polluted property;
- Assist the procurement (including payment in kind, donations, guarantees of credit) or use (including handling, transport, fuel for transport, storage, mixing, loading, application, clean-up of spray equipment, and disposal) of pesticides or activities involving procurement, transport, use, storage, or disposal of toxic materials--pesticides cover all insecticides, fungicides, rodenticides, etc. covered under the Federal Insecticide, Fungicide, and Rodenticide Act; and/or
- Procure or use genetically-modified organisms.

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

**5. Mandatory Inclusion of Environmental Compliance Requirements in Solicitations, Awards,**

**Budgets, and Work Plans**

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

**6. Revisions**

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

**7. Recommended Determination for Categorical Exclusion Clearances:**

**SENSITIVE BUT UNCLASSIFIED**

DCN: 2022-MOL-001

Approval: SCOTT DAVID  
HOCKLANDER  
(affiliate)  Digitally signed by SCOTT  
DAVID HOCKLANDER (affiliate)  
Date: 2021.10.27 16:17:07  
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Scott Hocklander, Mission Director Date

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Constantin Mihailescu, Mission Environmental  
Officer Date

Clearance:  10/26/2021  
Scott DePies, Acting DG Director Date

Concurrence: POOJAN BHASKER  Digitally signed by POOJAN  
BHASKER TRIPATHI (affiliate)  
Date: 2021.10.29 11:05:12 +04'00'

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Poojan Tripathi, E&E Bureau Environmental Officer Date

**Distribution:**

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

**Attachments: Annex A Climate Risk Screening and Management Tool for CSRA Activity/Design**

**ACTIVITY CRM TOOL OUTPUT MATRIX: CLIMATE RISKS, OPPORTUNITIES, AND ACTIONS**

\* = A required element, according to the Mandatory Reference

1.1: Defined or Anticipated Tasks or Interventions*	1.2: Timeframe	1.3: Geography	2: Climate Risks*	3: Adaptive Capacity	4: Climate Risk Rating*	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*
Provide Technical Assistance to Enhance Constituency Engagement	5 years	Moldova	Hotter temperatures may have an impact on IT equipment and the need for air conditioner.	There is limited government support to address the issues and the country relies heavily on donor support.	Low	N/A	Use of energy efficient equipment	N/A	Project will follow local environmental laws and regulations.	None
Provide Technical Assistance to Increase Domestic Resource Mobilization	5 years	Moldova	Hotter temperatures may have an impact on IT equipment and the need for air conditioner.	There is limited government support to address the issues and the country relies heavily on donor support.	Low	N/A	Use of energy efficient equipment	N/A	Project will follow local environmental laws and regulations.	None