



**INITIAL ENVIRONMENTAL EXAMINATION (IEE)
FOR THE USAID EMPLOYMENT AND ENTERPRISE DEVELOPMENT ACTIVITY**

PROGRAM/ACTIVITY DATA:

Project/Activity Name: 1. USAID Employment and Enterprise Development Activity
2. Any other Tajikistan economic growth development activity within the IEE approved budget ceiling, duration, scope, nature and type of work.

Country /Region: Tajikistan (Central Asia)

F Objectives: Objective 1: Economic Growth

USAID/Tajikistan Strategic Framework Objectives: Development Objective (DO) 1: Inclusive Economic Growth Strengthened, and Intermediate Results, 1.1 Private Sector Expanded, 1.2 Natural Resources management Improved, and 1.3 Responsive and Accountable Governance Advanced.

Program Areas: EG.3.2 Agriculture Sector Capacity
EG.5.2 Private Sector Opportunity
EG.12.1 Low Emissions Energy Development Planning for Energy

Funding Amount: ██████████

Funding Period: FY 2023 – FY 2030

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Date: 5/4/2023

IEE Amendment? Yes No

Original IEE: n/a

Additional references:

- [Future Growth Initiative EG IEE Amendment 4 to Asia 11-132 \(DCN: Asia 18-079\)](#)
- [CA Regional Sustainable and Inclusive Competitiveness Activity MTF 2 to Asia 18-079 \(DCN: Asia 18-079-MTF-2\)](#)
- [Trade Central Asia EG IEE \(DCN: Asia 21-099\)](#)
- Tajikistan [Market Driven Rural Development MTF 1 to FTF IEE Amendment 1 \(Asia 20-004-MTF-1\)](#)
- [Tajikistan Agribusiness Competitiveness Activity MTF 1 to FTF IEE \(DCN: Asia 15-010 – MTF 1\)](#)

Environmental Media and/or Human Health Potentially Impacted (check all that apply):

None Air Water Land Biodiversity Human health Other

ENVIRONMENTAL ACTION RECOMMENDED¹: (Place X where applicable)	
Categorical Exclusion (CE): <input checked="" type="checkbox"/>	Deferral (D): <input type="checkbox"/>
Positive Determination (PD): <input type="checkbox"/>	Negative Determination (ND): <input type="checkbox"/>
Negative Determination With Conditions (NDwC): <input checked="" type="checkbox"/>	Exemption (E): <input type="checkbox"/>

CLIMATE RISK RATING(S): (Place X where applicable)

Low: [X] Medium: [X] High: [-]

Adaptation /Mitigation Measures: Applicable. The implementing partner shall conduct Climate Risk Management analysis to tailor the screening to location and nature of activities which will be designed at a later stage. It shall also report to USAID on targeting direct climate actions while focusing on wider Systems Change as noted in [USAID Climate Strategy 2022–2030](#) Objectives 1 and 2, respectively and in [Asia Bureau Climate Action Plan](#).

BEO SPECIFIED CONDITIONS OF APPROVAL:

Activities involving procurement or use of pesticides cannot be implemented until an annual update of the programmatic

PERSUAP (approved on February 17, 2022) has been prepared by a BEO-approved professional and approved by the Asia BEO.

CONSTRUCTION: Will this activity involve construction as defined by ADS [201maw](#) and [ADS 303maw](#)

Yes No *Note:* The Activity may involve small construction and renovation works as indicated in Section 3.

1.0 BACKGROUND AND ACTIVITY DESCRIPTION

1.1 Purpose

The purpose of this IEE, in accordance with 22 CFR 216, is to timely and duly:

- Provide the first review of the reasonably foreseeable effects on the environment, social life, and human health, as well as recommended Threshold Decisions, for the new Employment and Enterprise Development Activity (EEDA) with an estimated budget of [REDACTED] to be implemented in FY 2023-FY 2028.
- Account for any future Economic Growth (EG) activities in Tajikistan for a period of up to eight years (FY 2023-FY 2030) within this IEE scope, nature, type of work, and IEE indicative budget ceiling. A Memo to the File for the BEO approval will have to be developed for any new proposed mechanism.

¹ Determinations: If the IEE analysis recommends a Categorical Exclusion, this implies that the intervention doesn't have an effect on the natural or physical environment. For an intervention with a Negative Determination with Conditions, with specified environmental and social mitigation and monitoring to prevent unintended impacts, no potentially significant adverse effects will take place.

- Establish that approximately 60-70 percent of funding will be used for activities under approved Categorical Exclusion (CE) and that up to 30-40 percent of funding will be used for activities with approved Negative Determination with Conditions (NDwC).
- Document that USAID has completed the first review of climate risk screening and management (CRM) as required by the [ADS 201mal](#) (see Section 3.3 below). Stipulate that prior to commencement of activities, the implementing partner (IP) shall conduct CRM for all planned sectoral and sub-sectoral activities. CRM shall be presented in the [Environmental Review Checklist](#) (ERC), and appropriate commensurate mitigation and adaptation measures shall be developed and presented in integrated Environmental Mitigation and Monitoring Plans (EMMP), as part of the ERC approved by Agreement Officer's Representative (AOR) together with USAID/Central Asia Regional Mission Environmental Officer (RMEO) and Climate Integration Lead (CIL) (See Section 4.1 for more details). Stipulate that all approved Threshold Decisions, including limitations and stipulation for revisions, shall be fully transposed into procurement instruments by the USAID/Central Asia Assistance and Acquisition Office.
- Stipulate that at the post-award conference, the AOR, USAID/RMEO/CIL shall explain to the IP(s) approved threshold decisions, conditions, and limitations in force as provided in this IEE.
- Activities shall comply with Tajikistan's relevant international environmental, labor, etc. and COVID-19 related laws and regulations and best international practices, including those of World Health Organization (<https://covid19.who.int>)
- Stipulate that the Activity shall comply with a [USAID Climate Strategy 2022–2030, Policy on Promoting Rights of Indigenous People, Environmental and Natural Resource Management Framework and Agency Disability Policy Paper and Standards for Accessibility](#).
- USAID/Tajikistan Mission's AOR shall regularly check on implementation of activities and shall seek to ensure that all activities are in full compliance with the environmental conditions approved in the IEEs.

1.2 Background

1.2.1 Relevance to U.S. and Tajik Government Policies and Priorities

The EEDA supports the USAID Tajikistan's 2022-2025 [Strategic Framework](#) DO 1: Inclusive Economic Growth Strengthened, and its three IRs, 1.1 Private Sector Expanded, 1.2 Natural Resources management Improved, and 1.3 Responsive and Accountable Governance Advanced.

The Activity supports the [Tajikistan 2022-2026 Integrated Country Strategy](#) Mission Objectives 2: Strengthen the foundations for sustainable development to improve human capital and economic outcomes and Objective 2.1: Expand the private sector and improve natural resource management to strengthen inclusive economic growth, thus expanding opportunities for greater participation in and advancement of Tajikistan's economic development. By supporting these strategic objectives, the Activity will help the private sector to create economic activities that are resilient to climate risks, transformative, and sustainable.

EEDA supports the [Tajikistan 2022-2026 Integrated Country Strategy](#) Strategic Objective 1: Support and strengthen the sovereignty and independence of the Central Asian States, individually and as a region, and Objective 6: Promote United States investment in and development of Central Asia and [the C5+1 Diplomatic Platform](#) which seeks to strengthen connections between Central and South Asia and facilitates regional cooperation and stability in Central Asia.

The fourth pillar of the [National Development Strategy of Tajikistan up to 2030](#) (NDS) stipulates the expansion of productive employment through industrialization as one of the main directions of development in Tajikistan. Gender and social inclusion is a cross-sectoral theme throughout the NDS. In December 2022, Tajik Government launched its [Strategy for the Development of the Green Economy for 2023-2037](#) to make a comprehensive transformation of the economy and the society through digitalization, intensive industrialization using innovative technologies and creation of 16,000 green employment annually. Hence,

this Activity is fully aligned with the NDS, green economy strategy and other Tajik government sectoral strategies and programs related to target sectors.

1.2.2 Relevant Current USAID, Other Donors and Financial Institutions' Initiatives

EEDA will seek opportunities to leverage the resources of other partners to maximize development impact. Partner organizations may include other USAID programs, bilateral and multilateral donors, other USG agencies, private sector companies, universities, and bank and non-bank financial institutions, among others. Innovative ideas for partnering with the private sector in achieving Activity's objectives will be considered.

The Activity will build on the work done by Future Growth Initiative (FGI). The objective of the Future Growth Initiative activity, which ends in September 2024, is to increase the competitiveness of high-growth industries (textile, IT, food processing and tourism) to provide jobs and incomes for the Central Asia growing workforce. The Activity may continue support to food processing enterprises in dairy and horticulture value chains previously supported by Agribusiness Competitiveness Activity in Tajikistan (ACAT) and Agriculture, Land and Governance Activity (ALG) that are interested to further invest for expansion and job creation. The USAID Trade Central Asia (TCA) Activity will assist the new Activity with improving region-wide trade connectivity for IT, textile and food processing enterprises. The proposed Activity may also cooperate with Local Impact on developing IT parks and with Market Driven Rural Development (MDRD) Activity on agricultural food processing.

The Activity may cooperate with the anticipated World Bank Regional Program Digital CASA. The goal of Digital CASA is to increase access to more affordable internet, crowd-in private investment in the ICT sector, and improve participating governments' capacity to deliver digital government services in Central Asia, through the development of a regionally integrated digital infrastructure and enabling environment. It is anticipated that the Activity will closely cooperate with existing and potential business incubators/accelerators that may include the UK funded Business Incubator "PEAK" and Accelerate Prosperity Program funded by Aga Khan Foundation. In addition, the Activity might directly or indirectly collaborate with GIZ, ITC, the EU, UNDP, the UK FCDO, the EBRD, other WB Group, ADB and JICA funded projects, which have actively been working in developing textile, food processing and IT sectors. For example, the Activity may cooperate with the Global Textiles and Clothing Program implemented by ITC to encourage exports of textiles and clothing from developing countries to promote employment and income generation throughout the value chain. Other potential projects for cooperation may include GIZ funded project "Towards Rural Inclusive Growth and Economic Resilience" (TRIGGER) and WB funded project "Agriculture Commercialization", which are focused on developing food processing enterprises.

Through partnering with local and multinational companies, USAID will leverage private sector expertise, capabilities, and resources to catalyze market-based solutions that unlock the country's economic growth potential. With the People's Republic of China and Russia trying to exert their influence in the economic sphere of Tajikistan, working with other like-minded donors will be critical in reaching the objectives of the USAID/Tajikistan Strategic Framework 2022-2025 and in sustaining a policy shift towards a free market economy.

1.2.3 Problem Statement

Tajikistan is looking to leverage its young population, where 70%² are under the age of 35, to accelerate economic development, to modernize its economy sustainably. It recently released its strategy for "green industrialization and economic development for 2023-2037", which stipulates creation of 16,000 green

² <http://en.kabar.kg/news/tajik-president-rahmon-over-70-of-countrys-population-is-under-35/>

employment annually. However, despite a stable economic growth rate of 6-8 percent³ for the last 10 years, job creation in Tajikistan has not kept up with the rapid increase in the workforce. Out of the 5.7 mln working age population (15-64 old), only 2.6 million people are in the labor force. An estimated 40,000 people enter the workforce each year, but most are not able to find jobs in Tajikistan and are not contributing to the economy⁴. Many of the available jobs are poor quality jobs: seasonal, part-time, and temporary with irregular, low pay, largely in the informal sector (150 thousand people officially). Additionally, many are confined to subsistence activities, where they lack the skills to access better jobs or lack access to financing required to make their businesses more profitable.

Confronted with slow structural transformation and limited job creation in the largely state-controlled firms, youth are turning to entrepreneurship as a way to expand their earning opportunities. Entrepreneurship (at scale) is a relatively new idea in Tajikistan and there are a limited number of business incubators and accelerators to meet the high demand from youth. Most business incubators/accelerators are located in Dushanbe and have only recently been established and need additional resources to assist more young people nationwide to open their own businesses. In addition, the private sector's role in the economy remains limited, contributing to only 13 percent of formal employment⁵. Most of these jobs are in sectors with low productivity. Productivity is especially low in agriculture, which accounts for 60 per cent of employment in rural areas and 20 percent of exports (mostly cotton). Small farms dominate the sector, with no permanent link to upstream buyers, limited access to finance, chemicals, and technology. Trapped in this low-income scenario, many Tajiks opt to migrate to Russia and elsewhere in search of better incomes. While there are several sectors with potential for growth and job creation, like textile production, food processing and IT services, they are currently not competitive enough, are capital constrained, and lack modern technology and a skilled workforce. Addressing constraints in these sectors, has the potential to unlock opportunities for achieving decent, better, and inclusive job outcomes for Tajik people.

1.2.4 USAID's Work to Date

To become competitive in the region and provide jobs for the growing Tajik workforce, textile, food processing and IT sectors need capital investments to modernize their production/processing lines and acquire new technologies and skills. These sectors also have significant potential to contribute to Tajikistan's "green industrialization and economic development strategy", with more energy efficient processes and improved resource use. One of the major barriers to realizing the potential of these sectors is the lack of a start-up business ecosystem in Tajikistan. It is far behind other regional actors, particularly in the manufacturing sector, with few existing incubators/accelerators, innovation funds and other necessary support services. To generate private sector employment, enterprises need help to expand their activities, increase sales, and in turn, create jobs.

USAID activities, FGI and ACAT, have laid the foundation for this new Activity. In particular, FGI partnerships with textile and food processing enterprises and IT institutions in Tajikistan created more than 400 permanent jobs and more than 2500 improved jobs, resulting in more than \$2 million in private investment leverage and expanding sales market. FGI has been working with its business partners through technical assistance (TA) and in all partnership cases, companies were willing to invest their resources to expand their activities. FGI has also been very successful in creating jobs in the IT sector by partnering with local institutions in developing IT skills - almost 20 percent of IT courses graduates have successfully received jobs. Likewise, ACAT support to dairy and horticulture food processing enterprises (including led by women) have enabled them to create 500 full, permanent jobs, leveraging more than \$2.5 million in

³ <https://www.worldbank.org/en/country/tajikistan/overview>

⁴ [WB Tajikistan Job Diagnostic 2017:](https://drive.google.com/file/d/1Bagl4xgAXabgOXevA5LVEa0AP9QxI0fN/view?usp=share_link)

https://drive.google.com/file/d/1Bagl4xgAXabgOXevA5LVEa0AP9QxI0fN/view?usp=share_link

⁵ <https://www.worldbank.org/en/news/press-release/2019/05/09/tajikistan-aims-to-boost-growth-through-investments-in-people-institutions-and-the-private-sector>

private investment and increasing sales of dairy enterprises by two times. Hence, FGI and ACAT activities have proved that the target sectors have high potential for job generation, with high possibility of investment leverage from the private sector. In addition, USAID's partnership with Accelerate Prosperity under Thrive Tajikistan, Local Impact and the Washington funded PACE interventions successfully helped entrepreneurs and start-ups to develop or start their businesses. With limited funds, USAID has created 527 job places under these projects. This shows the expediency of promoting entrepreneurship and start-ups through incubation and other platforms. USAID's Employment and Enterprises Development Activity will allow the Mission to scale these successes and accelerate job generating private sector growth in Tajikistan.

1.3 Activity Description

Building upon previous USAID activities, the Employment and Enterprises Development Activity will seek to create 5,000 jobs in Tajikistan (nationwide) by providing targeted assistance to individual firms and business associations (including those run by women and for women), allowing them to expand and hire new employees and lead the sector growth. By improving productivity in target sectors, the Activity will transform market systems in ways that help high-potential firms and sectors grow, foster market linkages to match demand for workforce skills with training offered to youth and women, link entrepreneurs to high-growth domestic and international markets, and build start-up businesses' capacities to sustain private sector-driven growth, generating jobs. Using [USAID's Market Systems Approach](#), the Activity will specifically support value chains in the textile, food processing and IT sectors that have opportunities for business creation, enterprise growth, and the potential to absorb jobseekers, particularly educated youth, women, and identify business cases for the inclusion of people with disabilities and other vulnerable parts of the population. Along the selected value chains, the Activity will identify possible entry-points and opportunities for entrepreneurship and employment in close cooperation with the private sector and business incubators and accelerators. It will support young entrepreneurs to launch their businesses and equip female and male young jobseekers with technical skills. Interventions will specifically target assistance toward youth, or other groups seen as being susceptible to recruitment for violent extremism. Returning labor migrants, women, handicapped people, and other minority indigenous groups, including refugees residing in Tajikistan, will also be appropriate targets.

The Activity will assist local financial institutions in providing access to financial services to young women and men who want to start a business or develop their existing business further to achieve growth. The Activity will establish and utilize a Partnership Market Fund (PMF) to share business risks and provide tangible, market-centered interventions that incentivize firms, associations, financial institutions, workers, training institutions, and other market actors to engage in new relationships, invest in new services or equipment for upgrading or business expansion, workforce development, promote entrepreneurship and job creation. Partnership priority will be given to those private sector initiatives conducive to green innovative technologies and services and promoting gender and social inclusion considerations across their businesses. The Activity's work will focus on the identified sectors but may work in other sectors with high potential for job creation, specifically under incubators/accelerators' initiatives. These efforts will result in the creation of new firms (including firms led by women), the growth of existing firms, and job creation, ensuring decent employment, whether it is wage or self-employment. The Activity will be in line with the Government of Tajikistan Strategy on Activation of the Role of Women in Tajikistan for 2021-2030, recently launched updated [USAID's 2023 Gender Equality and Women's Empowerment \(GEWE\) Policy](#) and [the U.S. Government Strategy on Global Women's Economic Security](#).

The Activity will embrace the principles and techniques of USAID's market systems development approach⁶, which will be a guiding framework for scaling technologies, practices and business models. Specifically, under market system approach, instead of providing direct services to enterprises, the Activity will facilitate improved business relationships and services. It will convene, coordinate, build capacity, develop workforce, demonstrate, and introduce new technologies, management practices, and methods for

⁶ <https://www.usaid.gov/work-usaid/private-sector-engagement/market-based-approaches>

organizing value chain actors in a manner that builds trust and efficiency. Facilitation aims to stimulate systemic change without taking a direct role in the market system. It involves working through market participants and ensuring that they are drivers of the change process.

The Activity will implement its activities through 1) Technical Assistance for capacity building and 2) PMF. The technical assistance and grants to businesses aim to increase production and promote products (e.g., through value addition) and process (e.g., new technologies and practices, certifications, market access) in selected value chains. TA might include workforce skills development, increase the use of existing business services, consulting and mentoring to entrepreneurs, business skills and organizational development and product and service improvement.

The Activity anticipates PMF constituting up to 40 percent of total estimated costs of the Activities funds. The MPF might comprise a mix of grants, subcontracts, and direct procurement to catalyze change and buy down risk for businesses to pilot new, green technologies, business models, use new services or working relationships and incentivize the involvement of women and youth, enabling MSMEs, entrepreneurs and other actors to address market constraints, seize market opportunities, and spur green innovation. The implementer and USAID will develop a grant manual where all procedures for grant management including environmental measures and safeguards will be stipulated. USAID funds should be significantly leveraged by private sector investment and be flexible to provide the type of support that is needed to facilitate the market actor's successful and sustained action.

Activity objective:

The main goal of the Activity is the creation of decent and productive employment for Tajik youth, women and men through enterprise creation and growth, entrepreneurship development and skills training and facilitating access to finance, in sectors with a high potential for economic growth.

The main goal of the Activity will be achieved through three interrelated objectives:

- 1) Improve the productivity of the targeted sectors through the adoption of innovation and technology, increased investment and market linkages.
- 2) Facilitate skills development in the workforce to meet the evolving market's requirements.
- 3) Strengthen the entrepreneur ecosystem-capacity of business incubators/accelerators and other platforms to scale up technical and financial resources for entrepreneurs and starts-ups.

Theory of Change:

IF entrepreneurs are incentivized to start or expand businesses in high-growth industries with green growth potential and the workforce⁷ is equipped with relevant skills to participate in these sectors, THEN private sector-led growth will generate inclusive economic opportunities in Tajikistan.

Illustrative Activities under Objectives and Outcomes:

Activities under **Objective 1** will identify promising modern green technologies⁸ and models that can be replicated or adapted to enable diversification and increase of higher-value commodities and services in the target sectors. The Activity will use its MPF to share risk with the private sector to attract maximum private sector investment leverage. They will also build the capacity, knowledge, and skills of value chain actors to apply new technologies and to design, develop, and market new products and services.

⁷ USAID promotes safe work environment free from discrimination and any forms of harassment, including sexual harassment, sexual misconduct and abuse. Please refer to the [USAID's 2020 Protection from Sexual Exploitation and Abuse \(PSEA\) Policy](#).

⁸ Green technology here means the use of technology for eco-friendly purposes, like for example reducing energy consumption, reducing waste, and protecting the environment. This means any product, design, formula, algorithm, procedure, method, discovery, process, technique, idea, know-how, or software that can help us reduce our environmental footprint and ultimately achieve sustainable development.

Objective 2 activities will complement objective 1 by developing workforce skills to meet the market requirements of textile, food processing and IT sectors. Objective 1 and 2 activities are precursors in the sequencing to reach a “critical mass” of high-quality commodities and services, leverage additional investment, and create the linkages to forge strong business expansion and partnerships to generate permanent jobs.

Objective 3 activities will identify possible entry-points and opportunities for self-employment and employment in close cooperation with the private sector, business incubators/accelerators and other platforms to support female and young entrepreneurs to launch or further develop their existing businesses. Collectively, these activities will result in a 30 percent increase in sales among Activity participants, 5,000 permanent jobs created, 100 green innovations supported, 200 business start-ups with access to finance created, and \$10 million in investment leveraged. USAID encourages offerors to propose their own, revised or additional targets to the best of their knowledge.

Expected Outcomes

The private sector firms and start-up businesses will become more competitive, generate greater demand for their products and services, and continue to expand their workforce as they grow. This will be achieved through the following outcomes and illustrative activities:

Outcome 1: Increased capacities and productivity of selected sectors in Tajikistan.

Outcome 1.1: Leverage partnership’s resources, innovation and technology to deliver higher-value commodities, products and services to end markets.

Through its PMF, the Activity will partner with individual firms or groups of firms in textile and food processing sectors and facilitate investments to acquire innovative equipment and production technologies necessary for the introduction of new products/goods or processes. Each potential partner must be selected based on important developmental criteria, such as employment generation and promotion and retention, revenue impact, social inclusiveness and potential for demonstration of positive effects on the environment. Both sectors are highly energy consuming sectors and are mainly using outdated, energy-inefficient technologies. Hence, the Activity should encourage firms to invest in energy saving technologies conducive to climate adaptation needs and develop a roadmap for select private sector beneficiaries. The Activity will also work with IT related firms to introduce latest technologies and trends in the field to enable them to become competitive in the IT service market. Overall, the Activity will facilitate development and marketing of existing and new, value-added products that would increase formal employment and sales/export revenue, including water-saving or energy-efficient technologies, IT software products or services, development of additional foodstuff and finished textile products.

Outcome 1.2: Improved product development, design, marketing, certification and standardization, including service delivery, to meet market requirements.

The Activity will support select firms and entrepreneurs to view the spectrum of competitors’ product design, packaging, services and marketing strategies, and understand market requirements for products to compete internationally and for import substitution domestically. The Activity will train, advise and mentor firms on marketing, packaging, and brand development to address deficiencies in competitive branding and pricing, market research, and consumer focus group facilitation. Other TAs will address product/service quality, pack house/factory hygiene, testing, improved packing and labeling, adherence to quality management systems, and provide follow-up coaching on firm-specific challenges, including capacity gaps in pre shipment storage, handling, phytosanitary documentation, and overall logistics chain management. Specific focus should be on introduction of a set of national and international safety standards and certifications that attract clients and investors, such as ISOs, HACCP, Halal Certificate, green production, Good Manufacturing Practice, Global Organic Textile Standard (GOTS), etc.

Outcome 1.3: Increased business linkages between industrial centers of Tajikistan and foreign countries' markets to increase trade of value-added products and outsourcing of IT services.

The Activity will partner with firms, trade and industry associations and exporting firms to build capacity to differentiate Tajik products on regional and international markets. Specifically, apart from traditional markets, facilitation of exports to South and Southeast Asia, the Gulf countries, and Europe must be explored and established. The Activity will foster contacts between foreign and Tajik IT firms. Business linkages activities may include participation in regional and international trade shows, fairs and exhibitions, targeted trade and exchanges missions, study tours and organization of other business events, as necessary. The Activity should encourage and facilitate the participation of Tajik firms in international markets as an important means to promote innovation, economic growth and higher productivity. Such activities should result in access to opportunities for business expansion, increasing productivity and acquiring international knowledge and technology.

Outcome 1.4: Enhanced business skills and knowledge of management best practices necessary for firms to grow, increase revenues and create jobs.

The Activity will enhance the technical and business knowledge and skills of the private sector necessary to maximize the return from new technologies and practices that will be identified under outcome 1.1. To ensure sustainability of capacity building efforts, delivery of TA will be tailored through packages of training, coaching, advising and mentoring based on market segmentation of firm and group scale, capacity, and market served. Examples of such activities may include coaching on the following directions: international standards required for export to global markets; accounting and finance; entrepreneurial approaches and good business management principles, including women and youth inclusiveness in workplace and their promotion and retention; environmental and social governance of textile and food processing enterprises; implementation of sanitary and hygiene requirements; observing required levels of emissions and prevention of air, land and water resources pollution; cost and benefit analysis of innovative equipment and technologies; impacts of climate change (short-term, mid-term and long-term) on raw input resources for processing enterprises; enterprises adaptation to climate change; impacts of enterprises on climate change; market segmentation and market requirements for IT firms; and so on. The Activity TA, coupled with PMF risk buy-down, should allow firms to adapt product development and service delivery to market needs.

Outcome 1.5: Build the capacity of the private sector to improve the enabling environment in target sectors.

The Activity may partner with industrial and business associations and other market actors to advocate or lobby for policy change to improve the enabling environment in target sectors and startups ecosystem. Such activities may include support to market actors to develop and pass legal-normative acts on venture capital, tax preferences laws and decrees for the IT sector, and specific regulations related to textile and IT sectors.

Outcome 2: Enhanced workforce skills to meet the demand of the private sector.

Outcome 2.2: Support the development of skilled workers and entrepreneurs to support target sectors.

The Activity will provide unique TA and support to meet the skills and knowledge gaps that result in end-market quality and consistency demands for finished products and services. Based on sectoral skills gap analysis, the Activity will partner with the private sector to deliver those specific skills development which is demanded by target markets. In textile and food processing sectors, the activity will not take sectoral approach skills development but rather it will prepare the workforce in line with each firm's level needs demanded by the market. By partnering with IT skills development organizations, the Activity will prepare female and male IT specialists in line with domestic and international market demands. Instead of direct intervention, the Activity will facilitate workforce skills development through private sector organizations by using its TA and PMF. The Activity may also partner with local universities to develop and tailor university curriculums in IT to current market segmentation and demands.

Outcome 2.3: Assist existing/emerging firms with new hiring, training, and staff development and

retention.

The Activity will partner with private sector firms to assist them in all levels of staffing development. Under this activity, most work will be done with the firm's human resources departments to hire, develop, retain and promote staff, including women, youth and other marginalized groups of population. Exemplary work may include workforce development for specific types of skills with further hiring, introduction of best HR policies like code of conduct, benefits, bonuses, etc. to retain staff, and further skills development for better paid jobs or promotion.

Outcome 2.3: Improve working conditions and enhance the coverage of social protection for women and men.

Throughout its partnerships with the private sector, the Activity will ensure that all internationally accepted working conditions standards and social protection measures are equally applied across firms both for women and men. This may include but not limited to a safe workplace environment, family and child care benefits, retirement plan, disability benefits, health insurance, social assistance during hardship like COVID, and social inclusivity in the workplace.

Outcome 3: Better equipped SMEs and start-ups with technical and financial resources to develop their businesses and create more opportunities for self and wage employment.

Outcome 3.1: Support start-ups and entrepreneurs through technical, business and financial capacity building and capital support.

The Activity will identify possible entry-points and opportunities for self-employment and employment in close cooperation with the private sector and business incubators and accelerators. It will support women and young entrepreneurs to launch their businesses and equip female and male young job-seekers with technical skills. To develop start-ups, the Activity will not be limited to working with selected sectors and may work in all economic spheres that have business and job creation potentials. By having a facilitative role, the Activity will consider a complex approach to help entrepreneurs by combining technical and financial support to materialize potential business ideas. In a nutshell, each Activity's partnership should also foresee financing mechanisms (whether it is own or partner resources or other outside private sources) for potential start-ups in addition to TA. In addition, the Activity will partner with financial service providers and explore venture capital funds attraction to facilitate access to finance for start-ups and MSMEs.

Outcome 3.2: Improved capacity of business incubators/accelerators and other platforms to deliver incubation/acceleration to start-up businesses and entrepreneurs.

The Activity will strengthen the ability of incubators/accelerators and business development service providers to support the formation, growth, and expansion of start-up business and MSMEs in Tajikistan. It will improve the capacity of business incubators to offer training, technical assistance and mentorship needed by entrepreneurs, prepare start-ups for business plan competitions, assist entrepreneurs in finding investment and render post-investment services. The Activity will also work with business incubators to explore investment mechanisms like revolving investment funds or equity for financing start-ups, so that business incubators could sustainably operate beyond the Activity lifespan.

Outcome 3.3: Leverage private sector investment across market systems to facilitate SMEs, start-ups and entrepreneurs to take better advantage of business development and growth opportunities.

The Activity will coordinate with financial institutions and leverage PMF resources to increase access to credit, financing, and capital investment for textile, food processing and IT firms, start-ups and MSMEs, including new non-collateralized and subsidized interest rate loan products for start-ups and MSMEs, partnerships with financial institutions to guarantee loans, and structuring blended finance agreements. Innovative financial models will also include screening tools to simplify loan approvals. The Activity will use its PMF to leverage funding or in-kind resources through public-private partnerships and cost-share agreement and attract private sector finance by encouraging corporate social responsibility among private

firms. Partnerships will be established with other donor funded financial institutions and projects to increase access to affordable finance, especially for start-ups, such as revolving funds, guarantee programs, equity, and other forms of financing. The Activity will also explore opportunities for lead firms to be financed by the US International [Development Finance Corporation](#) (DFC).

The Activity will build MSMEs and start-ups capacities to seek out micro-financing opportunities, understand the options available, and assess the risks of each option. It will work with women entrepreneurs to understand risk, mitigate risk-adverse behaviors impeding them from formal financing, and increase their confidence to access loan opportunities by helping women-led firms articulate their business plans, based on quantifiable evidence of market opportunities and firm capacity. To address youth constraints to access to finance, the activities will be tailored to ensure they are equipped with the skills to understand risk and increase their ability to repay loans, including through diversified income-generating activities. The Activity will specifically buy down financial institution risk with a partial loan guarantee (in different forms) for women and youth who will start new or expand their existing businesses.

2. COUNTRY BASELINE ENVIRONMENTAL INFORMATION

This section presents selected socio-economic and environmental information which may be relevant to EEDA implementation. EEDA will be implemented all over Tajikistan.

2.1 Locations Affected and Socio-Economic Information

Geography and Population: Tajikistan is a landlocked country located in the southeastern part of Central Asia. The country covers an area of 142,100 km². It borders Kyrgyzstan in the north (the length of the border is 987,5 km), China in the east (the length of the border is 495 km), Afghanistan in the south (the length of the border is 1,374.2 km), Uzbekistan in the north and west (the length of the border is 1332 km). Three mountain systems - Tien Shan, Gissar-Alay and Pamir - occupy about 93 percent of the country's territory. The height of the terrain ranges from 300 to 7495 meters above sea level, while almost half of the country's territory is located at an altitude of more than 3000 meters above sea level.

Tajikistan Map



(Source: The World Factbook 2021. <https://www.cia.gov/the-world-factbook/>)

Over 90 percent of the country is mountainous, more than 60 percent of which rise 2,500 m above sea level and represent a highly vulnerable ecosystem. Because of its geographical location, physical features and

specific climate, Tajikistan is prone to frequent natural disasters, including earthquakes, floods, mudflows, landslides, avalanches, droughts and epidemics. Major rivers of the region rise in the glaciers of Tajikistan.

The territory of Tajikistan is divided into the following administrative-territorial units: Gorno-Badakhshan Autonomous Region, Sughd Region, Khatlon region, 62 districts, 18 cities, 57 settlements and 370 rural administrative units (jamoati dehot). The districts of republican subordination (DRS) include 13 districts in the central part of Tajikistan. The capital, Dushanbe, has a separate administrative status and is divided into four districts.

Tajikistan is experiencing very rapid population growth. Over the period from 2000 to 2019, the country's population grew by 52% from 6.13 million to 9.31 million people. The average annual population growth rate for this period of time was 2.1%. In the total population structure in 2019, the share of rural population was 73.7% and urban 26.3%. In Tajikistan, the number of children under the age of 17 is more than 40% of the total population of the country.

Socio-Economic Context: Tajikistan is considered a “low income” country by the World Bank, with a GDP per capita of only \$897 (2021)⁹. According to the World Bank, nearly 20 percent of people in Tajikistan live in extreme poverty, defined as less than \$1.90/day. Nearly half of GDP comes from remittances from citizens working abroad. Nearly three quarters of the population live in rural areas. Seventy five percent of these depend on the production of cotton although horticulture is being developed (150,000 ha, plus 37,800 ha of vines) and cotton’s share of GDP is falling. Agriculture makes a greater contribution to GDP than industry. Tajikistan’s economy heavily depends on exports of cotton, aluminum and hydroelectricity that are three rather environmentally sensitive sectors, as well as on remittances from migrants living abroad. Environmental degradation and unsustainable use of natural resources are constraints to sustainable economic growth and poverty reduction.

2.2 Environmental Resources and Protection¹⁰

Climate and Climate Change¹¹: The climate in the country is continental, however, a large amplitude of heights combined with a very complex relief structure determines the formation of unique regional and local climatic zones with large temperature differences, characterized by significant daily and seasonal fluctuations in weather conditions. There are sharp changes in the amount of average annual precipitation - from a minimum level of less than 100 mm in the Eastern Pamirs to 500- 600 mm in the valley of the Vakhsh River in the south and a maximum value of more than 2,000 mm on the southern slopes of the Hissar ridge. Depending on the hypsometric levels and the location of the mountains, precipitation and air temperature vary dramatically. At an altitude of 1,500-2,000 m, Central Tajikistan (Gissar, windward mountain slopes) receive more than 1,200 mm of precipitation per year, while in the south of the republic, at an altitude of 300–500 m, there is 200 mm, and in the Eastern Pamir, at an altitude of 4,000 m, only 60 mm. The air temperature also fluctuates within different heights and districts. In the south, in the Shaartuz district, in winter it can reach + 22°C, while in the Pamir, in the area of Lake Bulunkul, it drops to - 63°C.¹²

⁹ World Bank, 2021, [World Development Indicators](#)

¹⁰ More information on environmental resources can be found in [the Fifth National Report on Preservation of Biodiversity of the Republic of Tajikistan \(2014\)](#); [Sixth National Report \(2019\)](#); [USAID Central Asia Biodiversity Analysis\(2020\)](#) [UNECE Third Environmental Performance Review: Tajikistan \(2017\)](#); [UNECE/FAO Overview of the State of Forests and Forest Management in Tajikistan \(2020\)](#); [UNECE Third Environmental Performance Review: Tajikistan \(2017\)](#), [Sustainable Mountain Development in Central Asia \(2012\)](#); [Tajikistan: Environment \(Ecological Report, 2018\)](#); [Weather, Climate and Water in Central Asia](#) and other sources.

¹¹ Climate Risk Management references:

https://docs.google.com/document/d/1b8esPq8Qz9TFX_gls_wodatO27h8C1Lbzmkt3mtFDQ/edit?usp=sharing

¹² https://unfccc.int/sites/default/files/resource/4NC_TJK_ru_0.pdf

The summary of climate trends and projections for Tajikistan is as follows: an increase in annual temperature by 0.2–0.4°C is expected in most areas of Tajikistan by 2030 (in comparison with the period 1961–1990). This trend coincides with the tendencies predominant in the country for the last 15–20 years. The maximum increase of temperature is expected in winter, by 2°C and more. Projected future rainfall is expected to show large variations in terms of change, intensity, and geographical distribution. While the irregularity and increase in intensity of precipitations is expected to continue in the future, most of the climate models do not reach consensus with regard to future rainfall projections. However, summers are expected to be wetter, while winters are expected to be drier, which could result in both floods and longer droughts. Climate change, in the form of reduced water availability and increased temperatures, is expected to put increased stress on Tajikistan's land resources. These changes will put additional pressure on sectors that already face numerous technical and financial challenges and will put at risk major sources of exports, like cotton, as well as food security in some regions.¹³

Tajikistan is classified as the most vulnerable country in Eastern Europe and Central Asia (ECA) region to climate change, and is prone to frequent natural disasters including floods, mudflows, landslides and increasingly, droughts and water scarcity. Extreme temperatures and erratic rainfall have a significant impact on agricultural production, health and incomes. Environmental shocks and stressors affect the rural poor in particular, as they have limited resources and capacities to adapt. It is estimated that a 20 percent decline in agricultural productivity caused by climate change may increase poverty by 13 percent.¹⁴

Tajikistan is prone to natural disasters and ranks high on the international climate impact lists. The country witnesses around 500 of natural disasters every year with different magnitude and affect, which results in 20-100 million USD in losses and damages. Melting of glaciers, fluctuation of the main rivers runoff and its effect on hydropower production and agriculture are few among numerous phenomena of climate change impacts in Tajikistan. While in the past decades the total glacial area was recorded as six percent out of total country's territory, by 2013 this estimate equaled five percent. This leads to changes in water availability and runoff. For example, the river runoff for the Aral Sea basin, which is formed in Tajikistan, nowadays is 53 cubic kilometers, which is 4 cubic kilometers less than fifty years before. Climate risks seriously undermine agricultural development. For example, the drought of 2001-2002 caused a critical drop in crop yields by 30-40 percent in most dry farming areas, whereas the drought of 2008 led to a 40 percent decline.¹⁵

Tajikistan has developed [National Action Plan for the UNFCCC](#) (2003), 2019 [National Strategy of Adaptation to Climate Change of the Republic of Tajikistan](#) and National Determined Contributions (NDCs) as part of the Paris Agreement. Tajikistan submitted its [Updated NDCs](#) to the UNFCCC in October 2021. As part of its NDCs, Tajikistan's revised NDC commits to a 40-50% reduction in emissions by 2030 compared to 1990 levels, conditional on international support. The country also set an unconditional emissions reduction target of 30-40% by 2030 compared to 1990 levels. The revised NDC expands adaptation in the energy, water, agriculture, forestry, and transportation sectors. Tajikistan will revise its target indicators in its second NDC to be submitted in 2025. It intends to initiate actions to implement these commitments through a series of strategies and programs that bring together multisectoral actors and players including the private sector to contribute to the goals and outcomes. Yet, it recognizes that achieving these commitments will require technical and financial support from its development partners.

Biodiversity: The country's flora and fauna make up 1.9 percent of the world's species. With wild relatives of cultivated plants totaling 1,000 species, in addition to 1,132 endemic species, floral diversity in Tajikistan is relatively rich considering the small size of the country. There are a considerable number of

¹³ https://infoclimate.org/wp-content/uploads/2014/04/Tajikistan_Country_Profiles-EN.pdf

¹⁴ <https://docs.wfp.org/api/documents/WFP-0000015482/download/#:~:text=Tajikistan%20is%20classified%20as%20the.increasingly%2C%20droughts%20and%20water%20scarcity.>

¹⁵ https://carececo.org/upload/02/eng_CSA_Tajikistan.pdf

rare and threatened species in the country, with some species threatened with extinction and included in the Red Data Book. The country has 226 rare and threatened plant species and 162 animal species. Ten percent of birds (37 species) are rare or endangered, with falcons and bustards in the most critical situation. However, each year, there are still dozens of them illegally caught and taken out of the country. In the last 50 years, the Turan tiger (*Panthera Tigrisvirgata*) and Menzbier's marmot (*Marmotamenzbieri*) have become nationally extinct. Other rare and endangered mammals include the Tajik markhur, Bukhara Red deer, Pamir wild sheep, Persian gazelle, Bukhara wild ram, snow leopard, jungle cat, otter, striped hyena and leopard. Unfortunately, more detailed information is not available. A database on the status of biodiversity and ecosystems does not exist due to the absence of an adequate national monitoring system, however, a database has been developed for the Specially Protected Natural Territories to serve as a basis for monitoring and a model for database management.

Forest cover is only 421,000 ha, or below 3 percent of total territory and there are only 0.05 ha of forest for each resident, considerably less than for other countries in the region. It is estimated that some 10-20 percent of the country's population depends on firewood, a smaller proportion than before (when it reached 70 percent) as hydropower is developed. Over the long term, forest cover of Tajikistan was around 25 percent in the nineteenth century, but this fell because of increasing population, fuelwood demand, and, in the twentieth century, removal of lowland forests to make space for cotton. At present, the main factors in deforestation are illegal cutting, notably for fuelwood, and overgrazing. There are disturbances from fires, insects and diseases, but no system is in place to monitor the extent of these disturbances. Major gaps in information on the forest resource are that at present there is no reliable information base on which to base forest policy in Tajikistan. The priority must therefore be to carry out a modern forest inventory, so that the major problems can be demonstrated and quantified.

Protected areas: Tajikistan has 26 protected areas, with a land area of almost 3.2 million ha protected (22.28 percent of total territory). The flagship of this system is Tajik National Park, making up approximately 80 percent of the total area under protected status (2.6 million ha). This park was established to conserve the diverse and unique landscapes, species mix, natural formations, cultural and historical monuments, and other highly valued attributes of the Pamirs. With support from IUCN, Tajikistan developed and mapped its key biodiversity areas (KBAs) in 2017. A comparison of KBAs to the protected areas system shows that the western and southern KBAs are unrepresented or under-represented in the protected areas system of Tajikistan. Central parts of the country have some protected areas that are much smaller than the KBAs that they are intended to protect. This illustrates that the current protected areas network is insufficient to achieve the conservation objectives of Tajikistan¹⁶.

Water resources: There are 947 rivers flowing through the country, with a length of more than 10 km, which is about 60% of the hydro resources of Central Asia. There are about 1,300 lakes and reservoirs of various origins in the republic with a total area of about 1,200 km². They contain 13 about 44 km³ of water, of which 20 km³ - fresh waters. The largest lakes (Karakul, Rangkul, Zorkul, Sarez, Yashilkul) are located in the Pamirs. Significant water reserves - over 500 km³ are concentrated in the glaciers of Central Tajikistan and the Pamirs. Their area is about 8,476 km² and occupies more than 5% of the total area of the republic. The total flow of rivers passing through the territory of Tajikistan is 65.11 km³. About 50% of the total annual flow of the Aral Sea is formed on the territory of the country.

State roles in water policy and management have been divided between two agencies: the Ministry of Energy & Water Resources and the State Agency on Reclamation. On the basin level, river basin organizations are to be forged to implement state water policies. As the largest water user, irrigated agriculture will be integrated into the national water system via water contracts between river basin organizations and water user associations. The role of other basin-level organizations and, potentially water councils, is still under consideration. Tajikistan's water sector reforms present good opportunities to

¹⁶ [2020 USAID Central Asia Biodiversity Analysis](#)

promote integrated water resources management principles. Domestic professional competencies in the water sector have greatly degraded due to low wages and poor subject-matter education. Inter- and on-farm water infrastructure is significantly dilapidated, but only limited effort has been taken to rehabilitate it during the past two decades.

Environmental challenges in the country include: (i) land degradation, including deforestation, degradation of pasturelands, arable and irrigated lands; (ii) lack of improved drinking water and water quality deterioration; (iii) waste pollution from agriculture and industry; (iv) deficiencies in sewerage system infrastructure and management; (v) uncollected and untreated solid waste; (vi) environmental hazards and natural disasters caused by floods and drought; (vii) energy supply; and (viii) lack of environmental education.

2.3 Sectoral Legal and Regulatory Framework and Institutional Set-Up

National legislation in food industry, textile and clothing industry, and IT sector and institutional framework of these sectors in Tajikistan is well established. Sectors are administered by the Ministry of Industry and New Technologies [Ministry of Industry and New Technologies](#). Their operation is guided by the Tajikistan strategies, laws and regulations that can be found [here](#).

2.4 Environmental Management Legal Framework and Institutional Set-Up

Activity implementation will in all cases adhere to applicable host country environmental laws and policies. Legislation most relevant to this analysis includes the following:

- Law No. 760 "[On Environmental Protection](#)" (2011) determines the legal basis of state policy in the field of environmental protection and is aimed at providing sustainable social and economic development, guarantee of human rights for the healthy and favorable environment, strengthening of law and order, prevention of negative impact of economic and other activity on the environment, the organization of rational use of natural resources and providing ecological safety. Other codes and laws on water, air quality, noise, mineral resources, land management, forests, health and safety, waste and chemicals management along with the Law on Environmental Protection Tajikistan create a favorable legal framework for environmental protection and for the use and protection of the country's natural resources.
- GOT Resolution #532 "[On the order of environmental impact assessment](#)" (2018) determines the order of environmental impact assessment, classification of objects and criteria for identifying danger of the planned activity for the environment.
- [Law on State Environmental Expertise of the Republic of Tajikistan](#) (2012) stipulates that all national and local projects, programs and mechanisms implementation of which requires the natural resources use and/or may adversely affect the environment are subject to state environmental expertise.
- [Law on Atmospheric Air Protection of the Republic of Tajikistan](#) (2012) provides the legislative basis for the protection of atmospheric air in Tajikistan, including responsibility for the regulation and atmospheric air protection management at various levels of government, economic mechanisms for air protection like mandatory payments for air pollutant emissions and incentives for air protection measures and provisions for the protection of the ozone layer and transboundary air pollution control.
- [Law on Environmental Audit of the Republic of Tajikistan](#) (2011) includes provisions for environmental audits of businesses and other organizations. An environmental audit is defined as an analysis and assessment of an enterprise's compliance with environmental laws and regulations. The law defines the objectives, tasks, objects and principles on an environmental audit. An environmental audit can be initiated by the relevant state agency. The audit initiated by a state agency is mandatory.

- [*Law on Industrial and Household Waste Management of the Republic of Tajikistan*](#) (2005) charges the waste generators with the responsibility for proper waste management and requires careful control of waste generation activities as well as relevant waste storage, removal or disposal. During the design, construction and operation of plants, structures or other facilities, individuals and legal entities are responsible for complying with established rules and regulations.

Other Tajikistan laws related to natural and environmental management might be found [here](#).

The [Committee for Environmental Protection](#) under the government of the Republic of Tajikistan is organized into four topic departments responsible for state control and use of resources, each addressing impact assessment, monitoring, and reporting in a specific area of overall environmental protection. They are (1) the world of plants, animals and fish resources; (2) water resources; (3) of atmospheric air; and (4) land, mineral resources and waste management. The committee also includes a department for specially protected environmental areas; administration for monitoring, environmental policy, hydrometeorology and cadaster; and four territorial departments for (1) GBAO, (2) Sogd region, (3) Khatlon Region and (4) Dushanbe city.

3.0 ENVIRONMENTAL IMPACT EVALUATION

3.1 Environmental compliance analysis of earlier economic growth activities (lessons learned)

During 2017-2021, most of the economic growth activities took place under the USAID/Central Asia’s regional programming such as FGI, and TCA implementing mechanisms. They were in full environmental compliance with USAID environmental requirements. The Activities with CE included multiple trainings, studies, support to various social networks, international study tours, exchange tours within Central Asia, Central Asia Trade Forums, technical assistance for customs authorities, support in organizing Transport and Logistics Partnership, trade missions and business to business events and the like. All TCA interventions were classified as CE. In Tajikistan FGI awarded 15 grants to different organizations, only four of them were classified as NDC, while most of CTJ grants to enterprises were classified as NDwC. Respective ERCs were approved by the RMEO/CIL prior to grants start. Appropriate site-specific EMMPs have been developed to minimize potential adverse environmental, health or safety impacts. Annual work plans and progress reports contained environmental compliance sections categorizing planned and accomplished activities.

A bilateral ACAT activity worked with food processing enterprises, successfully developed 32 ERCs and received USAID approval for all of them. Similar to proposed Activity, ACAT used a market-driven approach, led by the private sector, to stimulate economic growth, increase employment opportunities and improve livelihoods by enhancing the competitiveness of Tajikistan’s agribusinesses in dairy and horticulture value chains in 13 districts in southwestern Khatlon region of Tajikistan. USAID AOR as well as the RMEO/CIL regularly monitored the implementation of activities by meeting with IPs and field visits. The IP screened, monitored, mitigated and reported to USAID in accordance with terms established in the IEEs. At least two corrective actions have been undertaken by the IP to pursue RMEO/CIL recommendations. One was related to the use of poor water quality from irrigation canal at food processing enterprise (the source of water was changed); and another one was related to improper internal building conditions at the enterprise where USAID procured and installed expensive printing unit for carton box production. This unit was moved to another business partner who ensured that all USAID and Tajikistan standards on permissible high noise and air pollution levels were observed.

3.2 Environmental Compliance Screening of EEDA

More than 60 percent of the planned interventions are expected to fall under Categorical Exclusion and will not require further environmental review and reporting to USAID. They will include training programs,

analyses, studies, consulting, mentoring, workshops and travels, document and information transfers and the like.

Less than 40 percent of interventions will qualify for a NDwC. For interventions that involve the procurement of electrical equipment and/or professional equipment in planned sectors (IT, textile and food processing); introduction of new technologies, machinery and business models; developing demonstration and pilots; introduction of new water and energy- efficient technologies, the IP will have to provide ERCs in accordance with terms established in this IEE and Table 1 below. Construction activities listed in the ADS 201maw¹⁷ are not envisioned at this point, however, small renovations or assistance might be envisioned for installation of innovative technologies and equipment. The IP should not finance procurement and installation of electric, electronic (including professional) equipment in case the building is not intended for equipment installation, it is not seismically stable, has roof leakages, poor electrical wiring and power supply, and does not meet requirements of the national construction codes. The IP should either assist with improvement of the building or ensure that the beneficiary (the facility owner) makes all needed repairs in accordance with national construction codes and applicable best international practices.

If the IP works on development, strengthening and improvement of economic growth or other related strategies, policies, plans, prognoses, and legal and regulatory documents, implementation of which may have negative direct, indirect and/or cumulative socio-economic and environmental impacts in the future, the IP can recommend and assist in implementation of these interventions only if environmental screening is done and adequate mitigation measures are proposed to prevent potential negative impact of proposed recommendations implementation.

Under EEDA, the IP will identify promising green technologies and models for target sectors, and build the capacity, knowledge, and skills of value chain actors to apply new technologies and to design, develop, and market new products and services, implementation of which may have negative direct, indirect, and/or cumulative socio-economic and environmental impacts. The IP can recommend and assist in implementation of these activities only if environmental screening is done and mitigation measures are proposed to prevent potential negative impact of activities, whenever it is required. All TA through PMF in textile and food processing sectors, shall take into account national and international safety standards and certifications that attract clients and investors, such as, for example, UNIDO¹⁸ Green Industry principles, Environmental, Social and Governance (ESG) principles and practices, Resource Efficient and Cleaner Production, ISOs, HACCP, Good Agricultural Practices, Good Management Practices, Good Handling Practices, Business Social Compliance Initiative (BSCI), Global Organic Textile Standard (GOTS), Oeko-Tex, etc.; observing sanitary and hygiene requirements and required levels of emissions and prevention of air, land and water resources pollution; conduct cost and benefit analysis of innovative equipment and technologies prior to making a decision to go ahead; considering impacts of climate change (short-term, mid-term and long-term) on raw input resources for processing enterprises, enterprises adaptation to climate change, impacts of enterprises on climate change, etc. See also section for cross-cutting interventions below. PMF Operating Procedures describing environmental and social safeguards/due diligence procedures shall be developed prior to launching this activity.

¹⁷ Construction, as defined by ADS 201maw and 303maw, includes construction, alteration, or repair (including dredging and excavation) of buildings, structures, or other real property and includes, without limitation, improvements, renovation, alteration and refurbishment. The term includes, without limitation, roads, power plants, buildings, bridges, water treatment facilities, and vertical structures. Required Construction Risk Management procedures are available in [ADS 201maw](#).

¹⁸ United Nations Industrial Development Organization: <https://www.unido.org/our-focus-cross-cutting-services-green-industry/green-industry-initiative#:~:text=Green%20Industry%20means%20economies%20striving,encourage%20environmentally%20responsible%20private%20investments>.

The IP should ensure that SOW for related procurements is reviewed and concurred to by the RMEO/CIL.. The IP shall prepare initial ERC with EMMP and a final ERC with EMM Report to demonstrate that all planned mitigation measures have been implemented.

Table 1. Environmental Compliance Screening

Activity	Illustrative Components of the Activity	Threshold Determination
<p>Performance Objective 1: <i>Improve the productivity of the targeted sectors through the adoption of innovation and technology, increased investment and market linkages.</i></p> <p>Outcome 1: Increased capacities and productivity of selected sectors in Tajikistan.</p> <p>Outcome 1.1: Leverage partnership’s resources, innovation and technology to deliver higher-value commodities, products and services to end markets.</p> <p>Outcome 1.2: Improved product development, design, marketing, certification and standardization, including service delivery, to meet market requirements.</p> <p>Outcome 1.3: Increased business linkages between industrial centers of Tajikistan and foreign countries' markets to increase trade of value-added products and outsourcing of IT services.</p> <p>Outcome 1.4: Enhanced business skills and knowledge of management best practices necessary for firms to grow, increase revenues and create jobs.</p> <p>Outcome 1.5: Build the capacity of the private sector to improve the enabling environment in target sectors.</p>	<ul style="list-style-type: none"> ● Creation of Partnership Market Fund ● Introduction and procurement of innovative production technologies and green technologies in textile, food processing and IT sectors (e.g., water-saving or energy-efficient technologies, software products, and ecologically friendly finished textile and food products). Procurement of electric and electronic equipment, and materials. ● Train, advise and mentor firms on marketing, packaging, and brand development. TAs will address product/service quality, pack house/factory hygiene, testing, improved packing and labeling, adherence to quality management systems, including capacity gaps in pre shipment storage, handling, phytosanitary documentation, and overall logistics chain management. Specific focus will be on introduction of a set of national and international safety standards, such as ISOs, HACCP, Halal Certificate, green production, Good Manufacturing Practice, Global Organic Textile Standard (GOTS), etc. ● Establishing business linkages, including participation in regional and international trade shows, fairs and exhibitions, targeted trade and exchanges missions, study tours and organization of other business events, as necessary. ● Training, coaching, advising and mentoring on international standards required for export to global markets; accounting and finance; entrepreneurial approaches and good business management principles, including women and youth inclusiveness in workplace and their promotion and retention; environmental and social governance of textile and food processing enterprises; implementation of sanitary and hygiene 	<p style="text-align: center;">NDwC</p> <p>PMF Operating Procedures establishing environmental and social safeguards/ due diligence procedures shall be developed by the IP prior to launching this activity.</p> <p style="text-align: center;">NDwC</p> <p style="text-align: center;">CE/NDwC</p> <p style="text-align: center;">CE</p> <p style="text-align: center;">CE/NDwC</p>

	<p>requirements; observing required levels of emissions and prevention of air, land and water resources pollution; conduct cost and benefit analysis of innovative equipment and new technologies; assess impacts of climate change (short-term, mid-term and long-term, as applicable) on raw input resources for processing enterprises; enterprises adaptation to climate change; impacts of enterprises on climate change; market segmentation and market requirements for IT firms; and so on.</p> <ul style="list-style-type: none"> ● Support market actors to develop and pass legal-normative acts on venture capital, tax preferences laws and decrees for the IT sector, and specific regulations related to textile and IT sectors, as necessary. 	CE/NDwC
<p>Performance Objective 2: Facilitate skills development in the workforce to meet the evolving market’s requirements.</p> <p>Outcome 2: Enhanced workforce skills to meet the demand of the private sector.</p> <p>Outcome 2.2: Support the development of skilled workers and entrepreneurs to support target sectors.</p> <p>Outcome 2.3: Assist emerging firms with new hiring, training, and staff development, promotion and retention.</p> <p>Outcome 2.3: Improved working conditions and enhanced coverage of social protection for women and men</p>	<ul style="list-style-type: none"> ● Workforce skills development to meet industry needs, and organizations of internships and other on-the-job learning. Activity may also partner with local universities to develop and tailor university curriculums in IT to current market segmentation and demands. ● Assist firm's human resources departments to hire, develop, retain and promote staff, including women, youth and other marginalized groups of population. Exemplary work may include workforce development for specific types of skills with further hiring, introduction of best HR policies like code of conduct, benefits, bonuses, etc. to retain staff, and further skills development for better paid jobs or promotion. ● Partner with firms to ensure the introduction of a safe workplace environment, family and childcare benefits, retirement plan, disability benefits, health insurance, social assistance during hardship like COVID, and social inclusivity in the workplace. 	<p>CE</p> <p>CE</p> <p>CE</p>
<p>Performance Objective 3: Strengthen the entrepreneur ecosystem-capacity of business incubators/accelerators and other platforms to scale up technical and financial resources for entrepreneurs and start-ups.</p> <p>Outcome 3: Better equipped MSMEs and start-ups with technical and financial resources to develop their businesses and create more opportunities for self and wage employment.</p>	<ul style="list-style-type: none"> ● In close cooperation with the private sector and business incubators and accelerators and by combining technical and financial support, the Activity will support women and young entrepreneurs to launch their businesses and equip female and male young jobseekers with technical skills. To develop start-ups, the Activity will not be limited to working with selected sectors and may work in all economic spheres that have business and job creation potentials. In addition, the Activity will partner with financial service providers and explore venture capital funds attraction to facilitate access to finance for start-ups and MSMEs. ● The Activity will strengthen the ability of incubators/accelerators and business development service providers to offer training, technical assistance and mentorship needed by entrepreneurs, prepare start-ups for business plan competitions, assist entrepreneurs 	<p>CE</p> <p>CE</p>

<p>Outcome 3.1: Support start-ups and entrepreneurs through technical, business and financial capacity building and capital support.</p> <p>Outcome 3.2: Improved capacity of business incubators/accelerators and other platforms to deliver incubation/acceleration to start-up businesses and entrepreneurs.</p> <p>Outcome 3.3: Leverage private sector investment across market systems to facilitate start-ups and entrepreneurs to take better advantage of business development and growth opportunities.</p>	<p>in finding investment and render post-investment services. The Activity will also work with business incubators to explore investment mechanisms like revolving investment funds or equity for financing start-ups.</p> <ul style="list-style-type: none"> The Activity will coordinate with financial institutions and leverage Partnership Market Fund resources to increase access to credit, financing, and capital investment for textile, food processing and IT firms, start-ups and MSMEs, including new non-collateralized and subsidized interest rate loan products for start-ups and MSMEs, partnerships with financial institutions to guarantee loans, and structuring blended finance agreements. Partnerships will be established with other donor funded financial institutions and projects to increase access to affordable finance, especially for start-ups, such as revolving funds, guarantee programs, equity, and other forms of financing. The Activity will also explore opportunities for lead firms to be financed by the DFC. 	<p>CE</p>
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Cross-cutting activities with NDwC that may take place under all objectives.

<p>Activities that normally don't have a significant effect on the environment if they are developed with conditions (special mitigation measures specified to prevent unintended impact of activities)</p>	<p>a) Procurement of electric and electronic equipment (EEE)</p>	<p>Conditions:</p> <p>a) The IP is required to ensure that electric and electronic equipment is:</p> <ul style="list-style-type: none"> - procured from licensed retailers; - environmental safety and quality certificates conforming with national and/or international standards are available; - equipment is used in an environmentally sound and safe manner; and - equipment is properly disposed of at the end of their useful life by a certified company in a manner consistent with best management practices according to the best international practices acceptable to USAID. The EEE transfer letter to the beneficiary shall indicate how and where in the region the obsolete EEE may be safely recycled or disposed of.
	<p>b) Organizing farm and non-farm small-scale pilots, trial shipments, field demonstration activities, design and introduction of new technologies, new production techniques, procurement of materials and commodities, professional equipment and machinery and services to improve productivity and quality management, procurement inputs including agrochemicals, facilitating sales, and other</p>	<p>b) Pesticides, whether procured for use in the field, livestock, fumigation of commodities, recommended in trainings, or supported in any other way, shall conform with Tajikistan country-specific Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP). The most recent was</p>

	<p>activities that may have a potential for adverse environmental and social impact</p>	<p>approved in 2022¹⁹. The PERSUAP should be annually updated, specifically the list of approved pesticides should be reviewed on an annual basis against US EPA and GOT registration status.</p> <p>For procurement of various types of commodities, including agricultural, the IP shall use ADS 312, ADS 312mac and ADS 312mad for guidance.</p> <p>Any equipment and machinery provided shall be of sound quality from reputable certified vendors. The IP shall provide safe use training. All applicable obsolete equipment disposal requirements shall be adhered to.</p> <p>Product or service innovation technologies: where these activities could pose environmental and/or health risks, the IP shall follow all applicable sectoral safety and health standards which should be incorporated into training modules.</p>
	<p>c) Small-scale construction and rehabilitation, and construction design</p>	<p>c) If any building renovation or small-scale construction takes place, the IP shall follow all applicable USAID, international and national standards. No material containing asbestos or lead and/or mercury-containing paints shall be used. See other terms in USAID Standard Conditions for Small-Scale Construction, ADS 201maw provisions, and USAID Sector Environmental Guideline for Construction and IFC Environmental and Health and Safety Guidelines (EHS), ensuring construction quality and health and safety measures.</p> <p>Waste resulting from the facilities upgrade shall be disposed of by a licensed waste hauling service provider in a landfill approved by national authorities.</p>
	<p>d) Development, strengthening and implementation of economic growth facilitation</p>	<p>d) The IP can recommend and assist in implementation of these</p>

¹⁹ [2022 Tajikistan programmatic PERSUAP](#) (Asia-17-022-MTF-3)

	strategies, policies, legislation, action plans, and other documents, implementation of which may have negative direct, indirect or cumulative socio-economic and environmental impacts.	activities only if environmental screening is done and mitigation measures are proposed to prevent potential negative impact of policy/strategy recommendations implementation.
	e) Facilitating finances, financing facilities, such as revolving funds, capitalization of MFIs, guarantee programs, equity, and other forms of financing.	e) The IP is required to review the adequacy of the environmental capabilities of the financial institutions to be involved. The IP will ensure that appropriate environmental standards are developed (e.g., environmental risk policies and procedures) and followed by the financial institutions in issuing loans with the use of USAID-supported financing, guarantee or capital funding.
	f) Facilitating trade (including agricultural) by delivery of quality products to local, regional, and international markets.	f) The IP should assist participating countries in introduction and implementation of food safety standards and procedures as established in national and international laws, multilateral agreements and conventions, such as for example, The Codex Alimentarius , International Plant Protection Convention (IPCC) , UNCTAD Voluntary Sustainability Standards and WTO standards established in SPS Agreement , Technical Barriers to Trade Agreement . These standards and procedures shall be captured in one or more EMMPs that must be approved by USAID (AOR and RMEO/CIL) prior to commencement of the activity.
Activities that may have a significant effect on the environment and qualify for a Positive Determination.	g) Green economy sub-sectors (water conservation, recycling and storage, renewable energy and energy efficiency, waste management/recycling, reusable, recyclable, or compostable plastic or alternate packaging, sustainable transportation; food processing and textiles).	If EDD review in the form of ERC confirms potentially significant adverse effects on the environment, a Scoping Statement (SS) and Environmental Assessment (EA) shall be conducted by the implementer prior to start of activities. SOW/Terms of Reference (TOR) for Scoping Statement and EA Report must be reviewed by RMEO/CIL and approved by BEO/Asia.

All components		For all IP's proposals and scopes of work: the RMEO/CIL reserves the right to review them and provide assistance in oversight.
All interventions with NDwC		The IP shall prepare initial ERC with EMMP and a final ERC with EMM Report to demonstrate that all planned mitigation measures have been implemented

3.3 Climate Risk Management Analysis

In the 2019 [National Strategy of Adaptation to Climate Change of the Republic of Tajikistan](#) for the period up to 2030, the following sectors were identified as the most susceptible to climate change, which directly or indirectly will affect target sectors under the EEDA: [energy, agriculture, water resources and transport](#).

CRS required by the ADS 201mal was conducted in [Climate Risk Management Analysis](#) for USAID/Tajikistan [2022-2025 Strategic Framework](#). It will continue to remain valid for the EEDA, which also stipulates water, agriculture and energy resources as the most susceptible to climate risks, affecting all other economic sectors in Tajikistan. Based on this and enclosed [EEDA CRM analysis](#) some activities such as introduction of new technologies and innovations in textile and food processing sectors due to climate risks related to water shortage, drought, energy scarcity, floods, mudflows and mudslides, avalanches, etc.) can experience moderate climate change impact and adaptation measures should be recommended. For example, if textile and food sectors are not supplied with quality cotton, fruits, cereals and other products, they will lose their competitiveness and will not further invest in their expansion. The IT sector will not be impacted by such changes and there is low climate impact on this sector. Other proposed interventions are rated as Low Climate Risk as climate change is not expected to materially affect the implementation or outcomes of the activity.

Supplemental climate risk screening is required to be conducted by IP for the planned interventions based on the most recent climate change data to support the proposed program description and conducted in accordance with the USAID environmental and climate change policy and procedures. The IP may use information and sources referenced in the [Climate Risk Management Analysis](#), and other sources mentioned in Section 2.2 such as [ADB Climate Risk Profile for Tajikistan](#) and [GIZ Climate Change Profile: Tajikistan](#).

4.0 RECOMMENDED MITIGATION ACTIONS (INCLUDING MONITORING AND EVALUATION)

Mitigation and monitoring measures will be founded on principles of sustainable and efficient environment, social, health, and related economic management. The good design and implementation practices acceptable to USAID are available in reference materials listed in Section 4.1 below. If the mitigation measures are followed, as applicable and appropriate, by the IP(s) carrying out the on-the-groundwork, then no potentially significant adverse environmental and social impacts are presumed to result from those activities.

4.1 Implementing Partner Procedures

- All components of the activity will seek to raise environmental awareness, promote regional and national environmentally and socially sustainable development, biodiversity conservation, adaptation to

climate change, and foster a culture of environmental compliance and governance in accordance with international best practice and obligations under ratified international agreements. These include: the Stockholm Convention on Persistent Organic Pollutants, the Convention on Biological Diversity, the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters and other conventions that might be applicable to EEDA listed [here](#).

- All policy, planning, and regulatory documents that may have potential direct, indirect and cumulative impact on nature, natural resources and human wellbeing when these documents are implemented, should include consideration of social and environmental concerns. These documents should be recommended and assisted for implementation only if they are done with indication of mitigation measures sufficient to prevent negative impact.
- The IP shall include environmental compliance considerations into all aspects of the program implementation and shall promote and train local counterparts on environmental and social (e.g., [International Labor Organization](#)) requirements and standards across all of the program's activities. Such proposed activities shall be included into annual work plans, and results will be reported in quarterly and annual reports.
The IP shall consider direct, indirect and cumulative threats of EEDA on biodiversity and recommendations for biodiversity conservation in [USAID 2020 Central Asia Biodiversity Analysis](#). One of recommendations made is that Trade facilitation programs, at a minimum under the "Do No Harm" mandate codified in the FAA 117, 118, 119 and other U.S. laws, need to incorporate measures to better identify wildlife contraband and other illicit goods. More attention could be given to the potential for transnational organized criminal groups to capitalize on greater connectivity across the region.
- Each activity, including subcontracts and subawards, shall be conducted in a manner consistent with good design and implementation practices such as described in [USAID Sector Environmental Guidelines; IFC Environmental and Health and Safety Guidelines \(EHS\)](#) and any other international best practices readily available from OECD, United Nations Environmental/Development Programme (UNEP/UNDP), or European Union.
- Based on mitigation measures samples from [USAID Sector Environmental Guidelines; IFC EHS guidelines](#), and other sources as referenced above f, IP shall adapt [Environmental Manual \(EM\) and Framework EMMP \(FEMMP\)](#) developed by ACAT Activity to the scope and nature of proposed activities in order to be time and resource efficient when warranted/prior to NDwC activities start. EM shall establish criteria for eligibility, selection and screening against potential environmental and social risks (low, moderate, and high). This documentation shall then be approved by the AOR and RMEO/CIL, in consultation with the REA, Asia Bureau and incorporated in activity design. FEMMP shall be adapted to a specific intervention and/or site prior to the activity implementation and incorporated in ERC.
- The IP shall use the [ERC](#) as a main reporting document for each site-specific activity having potentially moderate and high adverse environmental impact prior to the launch to document existing environmental concerns and foreseeable environmental effects. If the ERC results in a finding of potential significant environmental and social impacts, an IEE shall be amended to reflect on a Positive Threshold Decision, and a SS and EA shall be prepared by the implementer prior to the start of activities. TOR for Scoping, SS and EA Report must be approved by the Asia BEO. For climate risk screening, as required by ADS 201mal, the IP shall conduct CRM for all activities prior to commencement. CRM shall be presented in an ERC and appropriate commensurate mitigation, adaptation, monitoring and reporting measures shall be developed and presented in an activity specific integrated EMMP which shall be reviewed and approved by the AOR together with RMEO/CIL.
- As part of its initial workplan, and all annual workplans thereafter, the IP, in collaboration with the AOR and RMEO/CIL shall review all ongoing and planned activities under this award to determine if they are within the scope of the approved IEE. If the IP plans any new activities outside the scope of these documents, it shall assist the AOR to prepare an IEE amendment for USAID review and approval. No such new activities shall be undertaken prior to receiving written USAID approval of the amendment.
- The IP shall hire a qualified, AOR and RMEO/CIL -approved Environmental Impact Specialist (EIS)

who will assess planned EEDA interventions including grants and will coordinate implementation of environmental actions, mitigation measures, monitoring, and reporting.

- EIS shall conduct environmental reviews and shall identify: 1) activity category in consultation with the AOR and RMEO/CIL; 2) potential environmental and social impacts (based on ERC and his/her technical knowledge of the U.S., national and international environmental standards, guidelines, requirements, and best practices; and 3) mitigation, monitoring and reporting measures needed. Should EIS lack any special technical knowledge to identify any special environmental impact, the IP will consult with a specialist in the relevant area.
- Host country environmental, occupational health and safety, labor and other relevant laws and regulations, standards, norms and best practices for environmental protection and management shall be followed in implementing the activities. The IP shall ensure compliance by its staff, subcontractors, and sub-grantees with USAID strategies, regulations, policies, procedures and acceptable best practice as well as compliance with applicable international environmental obligations of cooperating countries.
- For activities categorized as “potential risks” or “definite risks” of adverse environmental and impact, the IP shall conduct public consultations and will seek concurrence from the national duly authorized environmental agency on EMMPs.
- Monitoring shall be conducted during the activity (beginning with baseline conditions) to determine the environmental impact (positive and/or negative) of the activity interventions. The IP shall use only qualified staff for overseeing the mitigation and monitoring work. Monitoring shall occur on an as-needed basis.
- The IP shall ensure that the environmental procedures are implemented, potential impacts mitigated, and indirect and cumulative effects are considered for each activity. If negative environmental impacts are discovered through regular monitoring and evaluation of the activities, immediate actions will be taken to rectify the situation.
- (Sub-) sectoral activities, which are similar in scope and nature can be “bundled” for the purpose of environmental and climate risk analysis.
- For procurement of various types of commodities, including agricultural, the IP shall use [ADS 312](#), [ADS 312mac](#) and [ADS 312mad](#) for guidance.

4.2 USAID Responsibilities

- AOR with assistance from RMEO/CIL, shall review and approve any SOW/TOR for specific tasks/activities to ensure consistency with USAID requirements.
- AOR, with assistance from RMEO/CIL shall review and approve EMMP, CRM and risk management measures.
- All approved threshold decisions, conditions and stipulation for revisions shall be fully transposed into procurement instruments. At the post-award conference, the AOR, with assistance from the RMEO/CIL, shall explain the approved threshold decisions and conditions.
- USAID/Tajikistan shall provide for environmental training of the IP’s EIS(s) prior to the start of activity implementation.

5.0 ENVIRONMENTAL DETERMINATIONS

5.1 Recommended Environmental Determinations and Environmental Actions

a) **Categorical Exclusion** (approximately 60-70 percent of funding). Pursuant to 22 CFR 216.2(c)(3), the originator of the activity has determined that “core” activity consists of interventions entirely within the categories listed in paragraph (c) (2), “Categorical Exclusions,” of Section 216.2, “Applicability of Procedures,” of Title 22 CFR Part 216, “AID Environmental Procedures,” and therefore are categorically excluded from any further environmental review requirements. The originator has further determined that the proposed interventions are fully within the following classes of actions:

- Education, technical assistance, or training programs except to the extent such program includes activities directly affecting the environment (such as construction of facilities, etc.) [22 CFR 216.2(c)(2)(i)];
- Analyses, studies, academic or research workshops and meetings. [22 CFR 216.2(c)(2)(iii)];
- Document and information transfers. [22 CFR 216.2(c)(2)(v)];
- Studies, activities intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (such as construction of facilities, etc.). [22 CFR 216.2(c)(2)(xiv)].

b) *Negative Determination with Conditions* (less than 5 percent of all funding) is recommended for interventions related to the development of policy recommendations, strategic plans and regulatory and legal changes in textile and food processing sectors, as well as training, consulting, coaching and mentoring to businesses pertaining to environmental issues. The IP can recommend and assist in the implementation of these interventions only if environmental screening is done and mitigation measures are proposed to prevent potential negative impact of proposed recommendations implementation. The IP shall prepare ERC with EMMP for USAID approval to demonstrate proposed mitigation measures.

c) *Negative Determination with Conditions* (approximately 10-20 percent of all funding) for interventions, when following normal good practices, engineering methods, and standard instructions will help to avoid potential environmental problems. This includes procurement of computers and other electric and electronic equipment, commodities, and materials. The proposed action is that the IP should provide evidence that equipment and materials are procured from certified retailers; environmental safety and quality certificates conforming with national and/or international standards are available; equipment and materials are used in an environmentally sound and safe manner, properly disposed of when applicable at the end of their useful life in a manner consistent with best management practices according to USG, European Union or equivalent standards. The IP shall prepare ERC with EMMP for USAID approval to demonstrate required mitigation measures.

d) *Negative Determination with Conditions* (approximately 10-15 percent) for interventions that have a potential for an adverse impact on the natural or physical environment. The originator of the action has determined that pursuant to 22 CFR 216.2(d) (2), such activities as small-scale construction and renovation of infrastructure; organizing farm and non-farm small-scale pilots, trial shipments, field demonstration activities, design and introduction of new technologies, new production techniques, procurement of materials and commodities, professional equipment and machinery and services to improve productivity and quality management, procurement inputs including agrochemicals and other activities listed in Table 1, may have potential for significant adverse environmental impacts and the IP should conduct due diligence and draft ERC with EMMP as described in Section 3 and Table 1.

e) *Negative Determination with Conditions* (less than 5 percent) for interventions that have a potential for an adverse impact on the natural or physical environment. The originator of the action has determined that in facilitating finances and financing facilities the IP is required to review the adequacy of the environmental capabilities of the financial institutions to be involved. The IP will ensure that appropriate environmental standards are developed (e.g., environmental risk policies and procedures) and followed by the financial institutions in issuing loans with the use of USAID-supported financing, guarantee or capital funding.

The IP shall adapt EM FEMMP developed by ACAT Activity to the scope and nature of proposed activities in order to be time and resource efficient when warranted prior to start of activities with NDwA.

The Activity shall comply with a new [USAID Climate Strategy 2022-2030](#), [Environmental and Natural Resources Management \(ENRM\) Framework](#), [Policy on Promoting Rights of Indigenous People](#), and [Agency Disability Policy Paper and Standards for Accessibility](#).

6.0 RESOURCE ALLOCATION, TRAINING, AND REPORTING REQUIREMENTS

- The award with the IP shall stipulate compliance with all conditions in this IEE.
- The IP shall have sufficient staff with expertise in environmental and social fields and compliance, and sufficient financial resources to implement and report on the expected scope of environmental compliance work.
- The IP shall have the following documentation and reporting requirements associated with the environmental compliance:
 - Annual work plans shall have a section describing the environmental compliance management approach and results of the initial environmental screening of planned interventions with indication of environmental actions needed.
 - Site-specific initial ERCs with EMMPs as described above shall be developed by the IP and approved by USAID prior to the launch of each intervention, including small grants, having an adverse impact on the physical and natural environment.
 - Site-specific final ERC with EMMR shall be submitted to USAID at the completion of each relevant intervention at every affected intervention site, and not on an annual basis. Reporting will include photographic documentation and site visit reports which fully document that all proposed mitigation procedures were followed throughout implementation of the subject work including quantification of mitigation. All such reports and documentation will be submitted for the approval of AOR and RMEO/CIL.
 - Quarterly and annual reports shall have an environmental compliance section related to implementation of environmental compliance requirements and results, including intervention summaries along with environmental impacts, success or failure of mitigation measures being implemented, results of environmental monitoring, photographic documentation and any major modifications/revisions to the activity. If the interventions implemented do not have any negative impact on the environment, this should be documented as well. Annual reports shall also include an annex containing a table indicating the title, date and category of each grant award, and status of mitigation measures and monitoring results, when applicable.
 - The final report shall have a section that will summarize activity interventions related to environmental compliance and will describe results, including information on any positive or negative environmental effects of activity interventions.

7.0 LIMITATIONS OF THE IEE

- Assistance for 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 interventions involving procurement, transport, use, storage, or disposal of toxic materials shall go forward in accordance with the terms of the country-specific) PERSUAPs updated and/or prepared by the BEO-approved professional and then approved by the BEO.
- Interventions involving support to wood processing, agro-processing, industrial enterprises, and regulatory permitting. SS and EA shall be conducted, in the event the screening process indicates that EEDA may have a potentially significant negative environmental impact. The SS and EA reports shall be approved by the BEO prior to the start of interventions.
- Assistance, procurement or use of genetically engineered organisms (GEO) will require preparation of biosafety assessment (review) in accordance with ADS 211 in an amendment to the IEE approved by the BEO.
- Non-native, potentially invasive species.
- [USAID's Global Development Alliances](#) and [U.S International Development Finance Corporation's](#) programs associated with EEDA.

- Procurement or use of asbestos, lead and mercury containing materials (i.e. piping, roofing, etc.), Polychlorinated Biphenyls or other toxic/hazardous materials prohibited by the United States Environmental Protection Agency as provided at: <http://www.epa.gov/asbestos> and/or under international environmental agreements and conventions, e.g., Stockholm Convention on Persistent Organic Pollutants as provided at: <http://chm.pops.int>.
- In accordance with the [Agency Notices](#), USAID Bureau for Resilience and Food Security Chief Scientist’s pre-approval is required when procuring fertilizers containing Ammonium Nitrate and Calcium Ammonium Nitrate.

Any of these actions would require an amendment to the IEE approved by the BEO and MD.

8.0 REVISIONS

Pursuant to 22 CFR 216.3(a)(9), if new information becomes available which indicates that interventions to be funded by the activity might be “major” and the intervention’s effect “significant”, this determination will be reviewed and revised by the originator of the activity and submitted to Asia BEO and MD for approval and, if appropriate, an environmental assessment will be prepared. It is the responsibility of AOR to timely inform RMEO and the Asia BEO of any changes in the scope and nature of the activity, which may warrant the revision of the approved threshold decisions.

USAID APPROVAL OF ENVIRONMENTAL ACTION RECOMMENDED

Clearances:

Regional Mission Environmental Officer and CIL, USAID/Central Asia and USAID/Tajikistan:	<u>Cleared by email</u> <i>Nina Kavetskaya</i>	Date: 5/4/2023
Regional Environmental Advisor for South and Central Asia, Afghanistan and Pakistan, Asia Bureau:	<u>Cleared by email</u> <i>Andrei Barannik</i>	Date: 5/3/2023
Matt Curtis, USAID/Tajikistan: General Development Office Director:	<u>Cleared by email</u> <i>Matt Curtis</i>	Date: 5/5/2023

Approval:

Mission Director, USAID/Tajikistan:

Peter Riley
Digitally signed by Peter Riley
Date: 2023.05.10 16:19:50 +05'00'

Date:

Concurrence:

Asia Bureau Environmental Officer:

William L Gibson

Digitally signed by William L Gibson
Date: 2023.05.15 07:09:47 -04'00'

Date:

Cced: project file, MEO tracking, OAA, RLA