



Issuance Date: August 2, 2011
Pre-application Meeting: August 18, 2011
RFA Clarification Questions Due: August 24, 2011
Closing Date for Application Submission: October 3, 2011
Closing Time for Application Submission: 10:00 a.m. (Guatemala time)

**Subject: Request for Applications (RFA) Number: RFA-520-11-000003
Rural Value Chains Project**

Ladies and Gentlemen:

The United States Agency for International Development (USAID) Guatemala is seeking applications for Assistance Agreements from Guatemalan organizations to support a program entitled "Rural Value Chains Project". The authority for the RFA is found in the Foreign Assistance Act of 1961, as amended. Please refer to the Program Description for a complete statement of goals and expected results.

While for-profit firms may participate, pursuant to 22 CFR 226.81, it is USAID policy not to award profit under assistance instruments such as cooperative agreements. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A-122 for non-profit organization, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for-profit organizations), may be paid under any resulting Cooperative Agreement.

Applicants under consideration for an award that have never received funding from USAID will be subject to a pre-award audit to determine fiscal responsibility and ensure adequacy of financial controls.

Subject to the availability of funds, USAID intends to award multiple individual Cooperative Agreements providing approximately \$40 Million in total USAID funding to be allocated over the five year period. USAID reserves the right to fund any or none of the applications submitted.

Award(s) will be made to that responsible applicant(s) whose application(s) best meets the requirements of this RFA and the selection criteria contained herein. **Issuance of this RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of an application.**

This RFA and any future amendments can be downloaded from <http://www.grants.gov>. Select "Find Grant Opportunities", then click on "Browse by Agency," and select the "U.S. Agency for International Development" and search for the RFA. In the event of an inconsistency between the documents comprising this RFA, it shall be resolved at the discretion of the Agreement Officer.

Copy of the RFA and its amendments will be posted on the USAID/Guatemala website

<http://www.usaid.gov/gt>, click "Doing Business with USAID", then "Funding Opportunities", the RFA will be posted under "Quick Links".

Applicants should also note that the documents listed in this RFA under "Useful References" are intended only as sources for background information that may be helpful to applicants, but are not a part of this RFA. All guidance included in this RFA takes precedence over any reference documents referred to in the RFA. Any clarification questions concerning this RFA should be submitted in writing to Alejandra Garcia, via email at rvcp@usaid.gov by the date listed above. If there are problems in downloading the RFA from the Internet, please contact the Grants.gov help desk at 1.800.518.4726 or support@grants.gov for technical assistance.

For the purposes of this RFA, the term "Grant" is synonymous with "Cooperative Agreement"; "Grantee" is synonymous with "Recipient"; and "Grant Officer" is synonymous with "Agreement Officer".

All prospective applicants are invited to attend a pre-application meeting to be held on August 18, 2011 from 2:00 p.m. to 5:00 p.m.; the place will be notified through an amendment to the RFA. The purpose of this meeting is to explain the objectives of the project and the expectations of USAID regarding the implementation of this activity. Please confirm your attendance to this meeting sending an email to rvcp@usaid.gov not later than August 16, 2011, provide the name of your organization and attendees. Attendance is limited to three persons per organization.

The applicant shall submit applications in BOTH electronic and hard copy format (original and two copies) as described in Section IV. Applicants are requested to submit both technical and cost portions of their applications in separate volumes.

Applications must be received by the closing date and time indicated at the top of this cover letter. Late applications will be considered for award only if the Agreement Officer determines it is in the Government's interest. Applications must be directly responsive to the terms and conditions of this RFA. Telegraphic or fax applications (entire proposal) are not authorized for this RFA and will not be accepted.

Sincerely,



David Brown
Director, Regional Office of
Acquisition and Assistance
for Central America and Mexico
USAID/San Salvador

Table of Contents

SECTION I - FUNDING OPPORTUNITY DESCRIPTION	04
SECTION II – AWARD INFORMATION	46
SECTION III – ELIGIBILITY INFORMATION	48
SECTION IV – APPLICATION AND SUBMISSION INFORMATION	49
SECTION V – APPLICATION REVIEW INFORMATION	62
SECTION VI – AWARD AND ADMINISTRATION INFORMATION	68
SECTION VII – AGENCY CONTACTS	74
SECTION VIII – OTHER	75
ATTACHMENT 1 - Marking Plan Format	
ATTACHMENT 2 - Required Certifications	
ATTACHMENT 3 - Value Added Tax	
ATTACHMENT 4 - Standard Provisions for Non-U.S., Nongovernmental Recipients	

SECTION I - FUNDING OPPORTUNITY DESCRIPTION

I.1) PROGRAM DESCRIPTION

RURAL VALUE CHAINS PROJECT

I. INTRODUCTION

The long-term United States Government (USG) goal is to build food security, promote economic growth, and alleviate poverty. The focus of the Global Hunger and Food Security Initiative (GHFSI), also known as the Feed the Future Initiative (FTF), is on achieving this goal. The USAID/Guatemala Feed the Future Implementation Plan outlines USG interventions for food security and nutrition in Guatemala using FY 2010-2015 funds. The goal of the bilateral program is to reduce rural poverty and malnutrition in specific geographic areas of Guatemala. This will be accomplished by focusing implementation on three key areas: (1) market-led agricultural development; (2) prevention and treatment of under-nutrition; and (3) improvements to humanitarian food assistance and social safety nets as described below in the Feed the Future Results Framework.

USAID/Guatemala intends to make multiple awards for the ***Rural Value Chains Project (RVCP)*** under the US Government's Feed the Future (FTF) Initiative based on limited competition among Guatemalan organizations. The applicant will manage and administrate a program of five years duration with an estimated ***\$40 million value, subject to the availability of funds, distributed among awardees.***

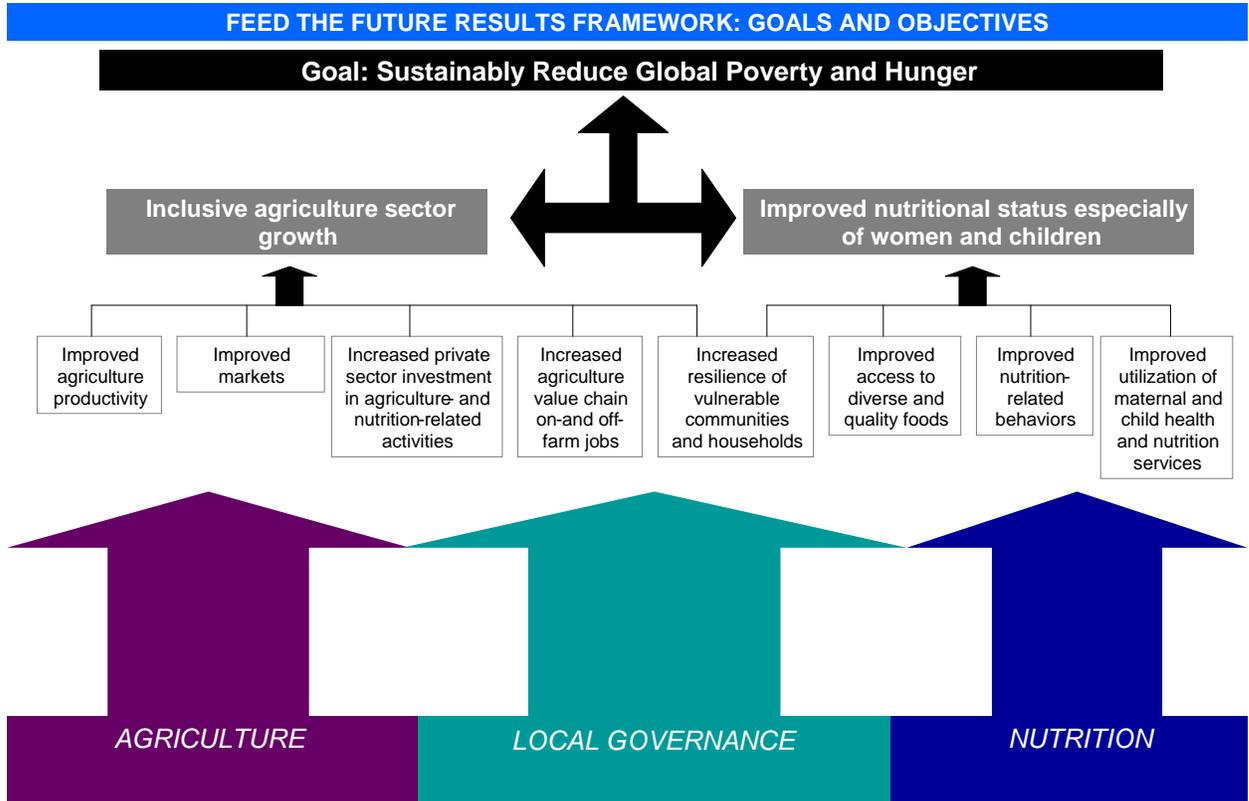
USAID anticipates that the Recipients will carry out a program that includes five separate but complementary components to work primarily on improve value chains in two sectors: horticulture and coffee. Applicants are encouraged to familiarize themselves with the RFA and the five components and be innovative by considering creating partnerships, alliances or a consortium to implement all the activities within the RVCP and obtain desired results.

As being the implementer for the principal program in support of the Mission's FTF program, the applicant is expected to coordinate activities with other USAID programs such as the following:

Name of Program	USAID Office in Charge of Managing
Maternal Child-Health and Nutrition Program	Health and Education
P.L. 480 Title II Food Security	Mission Director
Local Governance	Democracy and Governance
Policy Regulatory Support	Economic Growth
Monitoring and Evaluation	Economic Growth
Economic Observatory	Economic Growth

The RVCP will also coordinate with other USG agencies such as the USDA, and Peace Corps. The RVCP will share with other USAID-funded programs and will report upon specific, mandatory FTF indicators relating to income generation and the effects on

nutritional improvements at the household levels. These indicators will be part of the cooperative agreement. USAID/Guatemala intends to compete this RFA among local organizations to strengthen the capability of Guatemalan organizations to provide business services to enterprises in Guatemala in line with one of USAID Forward procurement reform objectives: “Strengthen local civil society and private sector capacity to improve aid effectiveness and sustainability, by working closely with our implementing partners on capacity building and local grant and contract allocations”.



The objective of the proposed **Rural Value Chains Project (RVCP)** is to improve household access to food by expanding and diversifying rural income and to contribute to improve the nutritional status of families benefitted under this program. This will be accomplished by expanding the participation of poor rural households in productive value chains in horticulture and coffee and linking those chains to local, regional, and international markets in coordination with nutrition-related activities aimed at improving food utilization and that are implemented by PL480 Title II Food Security Program and health program partners.

USAID/Guatemala has identified the area with the greatest potential for high impact as the Western Highlands of Guatemala; more specifically the departments of San Marcos, Huehuetenango, Quiché, Quetzaltenango, and Totonicapán. Direct project beneficiaries are expected to be small-scale farmers with commercial potential, rural laborers and groups graduating from PL480 Title II food Security program. Overall results will be measured by the increase in the number of rural households participating in value chains, either as producers or laborers; increased incremental value chain sales and

employment; increased household incomes; improved quality of life; and decreased levels of chronic child malnutrition.

II. PROJECT TITLE: Rural Value Chains Project (RVCP)

The Rural Value Chains Project is one of several awards that USAID/Guatemala will make that seeks to reduce poverty and reduce malnutrition in the five departments of the Western Highlands of Guatemala (Huehuetenango, Quiché, San Marcos, Quetzaltenango and Totonicapán). It is important that the applicant recognize the unique nature of the Feed the Future initiative and how the results, indicators activities and objectives will be reached and how offerors will be expected to contribute to a shared goal. The applicant will have specific results and indicators for the Rural Value Chain Project but will also share common indicators, common implementation principles and a common geographic focus with other partners in health and P.L. 480 Title II Food Security Program. All planned USAID/Guatemala awards (assistance or acquisition) will include common language linking offerors to the work of other USAID implementing partners. Applicants will note in the solicitation documents specific selection criteria that will score the proposal's approach to integration of food security and nutrition, of increased income with improved household nutrition, with effective linkages with municipal leaders, Food for Peace partners and other US Government agencies such as the U.S. Department of Agriculture and the U.S. Peace Corps. Specific quarterly reporting requirements are included to monitor the extent to which the successful applicant has collaborated with and/or integrated activities with those of other USAID partners. USAID's implementing partners will be evaluated upon the extent to which they demonstrate innovative approaches, extensive collaboration and shared results. USAID/Guatemala will hold periodic meetings among its partners to coordinate and integrate activities, share successful examples of leveraging (of private sector, other partner or municipal funding) of resources, sharing of technical resources among partners, training of staff or beneficiaries from other activities, etc.

USAID/Guatemala recognizes this approach is new, and will require extensive consultation and collaboration, but the Mission remains firmly committed to the new way of implementation that integrates the activities funded by several offices, shares reporting requirements for monitoring and evaluation and links the efforts of each implementing partner to the success of one initiative.

In the spirit of integration and concentration of resources and collaboration among partners, a set of "guidelines" to be used by partners implementing economic growth and health/education and eventually as well P.L. 480 Title II Multi-Year Assistance Programs has been agreed upon and will guide implementation for all USG-funded activities.

III. BACKGROUND

A. Food and Nutrition Insecurity in Guatemala

Guatemala's levels of food and nutritional insecurity are among the worst in the world. Guatemala has the highest national levels of chronic malnutrition (49.8 percent)¹ in the

¹ The National Maternal and Child Health Survey (2009). Percentage of children between the ages of 3 to 59 months with chronic malnutrition (height-for-age) using new World Health Organization standards. Using previous NCHS/CDC standards this figure would be 43.4%.

Western Hemisphere, levels that are higher than many African nations. Food and nutritional insecurity is endemic in Guatemala. Lack of access to assets (land, capital, education) has resulted in a persistent state of chronic malnutrition, especially in rural Guatemala. Such malnutrition is further exacerbated by poor food utilization practices.

Under the new Feed the Future Initiative (FtT), the USG will directly address the needs of Guatemala's most vulnerable. It will support concrete Government of Guatemala (GOG) actions to address food security crisis, including an update of the GOG Strategic Plan for Food Security and Nutrition (PESAN), the subnational implementation Plan (Plan Occidental or PLANOCC², and the establishment of a public-private sector roundtable for donor, government, and civil society coordination.

The USG approach to developing a new, comprehensive food security strategy in Guatemala will begin by identifying areas where the USG has a comparative advantage and a strategic interest in supporting GOG objectives. Specifically, the USG will build Guatemalan capacity to implement a country-led, comprehensive food security strategy aimed at addressing the underlying causes of chronic malnutrition and curtailing the onset of hunger crises. This will be complemented by an increased focus on rural development. Priorities include market-led interventions that generate jobs and increase vulnerable population incomes, nutrition, coordinated humanitarian assistance, and specific efforts to improve agricultural and non-agricultural rural incomes. This is expected to contribute to the overall success of the GHFSI, and support progress toward the Millennium Development Goals to eradicate extreme poverty and hunger by 2015.

B. Country-Led Comprehensive Strategy

The GOG acknowledges that chronic malnutrition is an enormous and challenging public health problem; almost 50% of children less than five years of age are malnourished, higher than any other country in the Americas and higher than many African countries. Additionally, chronic malnutrition among children has a decided ethnic and geographic dimension; malnutrition rates rise for rural and for indigenous children, 59% and 66% respectively.

Food insecurity in Guatemala does not result from inadequate national or local food supplies (availability), but instead is caused by the inability of the poor to access food due to inadequate incomes, as well as by inappropriate consumption decisions and feeding practices by the poor that lead to poor food utilization.

The GOG recognizes that health, education, and economic consequences of chronic malnutrition are long-lasting and severe. The GOG's "Strategic Plan for Food and Nutritional Security: "PESAN 2009 – 2012", released in June 2009, seeks to ameliorate the risk of food and nutrition security and chronic malnutrition, focusing on the most vulnerable populations of priority municipalities.³ The PLANOCC) addresses these issues in greater detail for the six departments of the Western Highlands (San Marcos, Huehuetenango, El Quiché, Totonicapán, Quetzaltenango and Sololá). The GOG's national and sub-national plans are going through a series of strategic reviews at the national and regional levels to ensure that they are appropriately updated and have the

² The Plan Occidental targets the region of Guatemala with the highest density of chronically malnourished people and with high levels of poverty.

³ "Plan Estratégico de SAN 2009-2012," SESAN http://www.sesan.gob.gt/plan_estrategico_de_san_2009-2012.html

support and buy-in of local officials, regional public institutions, civil society and the private sector.

PESAN's priorities and objectives are outlined in the Table below.

GOG Strategic Plan for Food and Nutritional Security (PESAN) 2009 – 2012		
Strategic Objective 1	Increase food availability with emphasis on basic grains to provide for food self-sufficiency in the country.	Operative goals include the production and storage of basic grains, research and production of local improved seeds, and technical assistance.
Strategic Objective 2	Promote access to a basic food basket.	Operative goals include the production and storage of basic grains, research and production of local improved seeds, and technical assistance.
Strategic Objective 3	Promote education and communication on food and nutrition by improving the consumption of food, promoting exclusive maternal breast-feeding and contributing to a reduction in chronic malnutrition.	Operative goals include a GOG program entitled the “My Family Learns” (<i>Mi Familia Aprende</i>) and a School Feeding Program, and the strengthening of communal homes for integral attention to children under 6 years of age.
Strategic Objective 4	Widen coverage and quality of public services in health, water, sanitation and family hygiene to reduce chronic malnutrition.	Operative goals include improving the quality and access to health services by strengthening components of the ENRDC (<i>Mi Comunidad Produce</i>); strengthening the provision of health services within the ENRDC framework; and increasing coverage of services and infrastructure in water and basic sanitation.
Strategic Objective 5	Strengthen the institutional capacity of SINASAN and of civil society to contribute to a reduction in food and nutritional insecurity of the population.	Operative goals include the creation of information, planning, monitoring and evaluation systems for food security; the development of food contingency plans for communities where food and nutritional insecurity are high; and strengthening the capacity of civil society to provide social auditing of the food security system.

PESAN recognizes that the primary cause of malnutrition and periodic hunger crises is access to food. Access to food is limited by the inability of the rural poor grow and/or buy sufficient nutritious food to meet nutritional needs. The secondary issue is proper food utilization. The USG will engage in refining the plan with key GOG lead partners, including SESAN and Secretariat for Planning and programming SEGEPLAN.

Ongoing national coordination of all food security programming in Guatemala will be managed by the Secretariat for Food Security and Nutrition (SESAN) and through a well-established coordination structure that involves all relevant GOG ministries, donors and

civil society at the national level and all relevant actors at the local level as well (see SINASAN organizational structure below).



The USG has initiated a stock-taking process in Guatemala in response to the L'Aquila Joint Statement on Global Food Security adopted at the G-8 Summit on July 10, 2009. USAID plans to help build GOG capacity to lead this initiative and make its strategy more comprehensive and actionable. The USG also plans to help build the capacity of Guatemala's civil society and academic community to analyze and advocate for strong policies to ensure continuity of this initiative beyond the next change of GOG administration in early 2012. USAID also plans to support the GOG's transition team to further ensure continuity of interventions.

C. Increasing Sustainable Market-Led Growth

Chronic malnutrition in Guatemala is the result of long-standing structural problems of inequality and exclusion. A recent UNICEF study reports Guatemala having the third highest prevalence of moderate to severe stunting among children under five years old. At 54 percent, this prevalence trails only Afghanistan and Yemen.

Limited access to food is the main cause of malnutrition in Guatemala. However, food utilization is also an important factor. Inadequate food access is directly related to poverty as well as the lack of income generation opportunities in rural communities. USG interventions will therefore focus on improving poor rural household access to and utilization of food.

USAID has concluded a considerable amount of analysis to determine the FTF strategic approach. There is additional analysis and baseline data to be gathered and the applicant should be aware of this need, which is further detailed in this RFA.

The successful implementation of the RVCP will advance the key objectives of the Food Security Initiative: Increase Sustainable Market-Led Growth; Prevent and Treat Under-nutrition; and Improve Impact of Humanitarian Food Assistance.

In terms of sustainable market-led growth Guatemala's abundant natural resources and labor force offer tremendous potential for expanding participation in rural value chains such as agriculture and horticulture, coffee, tourism, handicrafts, and sustainable forestry. However, constraints and bottlenecks in infrastructure, rural finance, social organization (value chain governance), compliance with sanitary and phytosanitary (SPS) standards, and research and extension are keeping the rural economy from realizing its full potential, generating jobs and reducing rural poverty.

Addressing these constraints and bottlenecks will help Guatemalans harness that potential and build lasting food security. USAID plans to do this by implementing the Institute for Agriculture and Natural Resources (IARNA), Rafael Landivar University of Guatemala, job generation model. This model of agricultural sector development in Guatemala is based on analyses which conclude that small farmer agriculture has the potential to serve as the driving force for development, job creation, and poverty reduction in the Western Highlands (Altiplano), a region of the country which suffers greatly from food insecurity and poverty. Its focus on poor farmers in the Western Highlands will demonstrate that agricultural development has the greatest potential for employment generation and for lifting large numbers of the rural poor out of rural poverty due to its "multiplier effect."

IV. PROGRAM DESCRIPTION

The Rural Value Chains Project (RVCP) design is based upon private sector led value chain development and expansion in the horticulture and coffee sectors. Within the value chain it focuses on supporting the establishment and expansion of economically viable associative agribusiness enterprises (farmer-owned cooperatives and associations). These agribusiness enterprises will expand rural household participation, both as producers and as laborers, with an emphasis on incorporating poor indigenous, women-headed households and women producer groups. In addition to working directly with producer groups, USAID will promote a pilot activity working with private sector wholesalers (market aggregators) to link small-scale farmers to local, regional and international markets. Expanded participation in rural value chains is expected to increase poor rural household incomes and food security, and decrease chronic under-nutrition for children in beneficiary households. Although it will receive less emphasis under this program, handicrafts is an important additional value chain to be considered by the offerors (see below).

The sustainable integration of nutrition and maternal/child health programs into USAID-funded horticulture and coffee value-chain activities is an important principle of USAID/Guatemala. Applicants are encouraged to familiarize themselves with the FTF multiyear strategy and the Global Health Initiative documents as background to this RFA.

A. FTF principles:

Applicants will be requested to describe their technical and management approach to inclusion of **the following integrating FTF principles** that will be incorporated into all

future USAID/Guatemala acquisition and assistance instruments. Please note that implementing partners do not have to work in all the sectors outlined under the FTF principles, but coordinate with other partners to achieve specific results:

1. Linking value chain activities with improved nutrition and dietary diversity;
2. Changing food consumption behavior to encourage dietary diversity and improvement in childhood nutrition among target beneficiaries;
3. Maximizing the likelihood of sustainability by working with municipal and community leaders (such as through aligning programs to municipal and/or local economic development plans);
4. Leveraging the private sector technical, managerial and financial support for integration of nutrition-related activities into USAID-funded programing and investing in agriculture-related activities such as small infrastructure, or packing plants as an opportunity for job and income generation in the focus area.

The Feed the Future Multi-Year Strategy for Guatemala can be found in the following link: http://www.usaid.gov/gt/docs/feed_future_mys.pdf

B. Goal and Objectives

The **goal** of RVCP is to increase sustainable market-led growth in rural areas as a means of sustainably reducing rural poverty and chronic malnutrition. The overall objective of RVCP is to expand rural household participation in selected value chains to increase household incomes. Expected increases in household income will improve household access to food which, coupled with complementary nutrition and behavior change-related interventions to be provided by the USAID/Maternal Child-Health and Nutrition Program and P.L.480 title II Food Security Programs, will help ameliorate food insecurity and reduce chronic under-nutrition.

To sustainably reduce rural poverty and chronic malnutrition RVCP will:

- Expand rural household participation as producers and/or laborers in competitive rural value chains (horticulture and coffee and handicrafts);
- Build the organizational, management and business capacity of associative agribusiness cooperatives and associations participating in selected value chains;
- Expand the depth and breadth of benefits resulting from the growth of rural value chains, especially for poor, indigenous, and women headed rural households; and
- Improve rural household nutrition by increasing the productivity of crops grown by poor households for home consumption, and improving food utilization.

A number of systemic and cross cutting issues are critical to achieving these objectives.

- Engaging the underserved (poor, women-headed, and indigenous households) and addressing gender constraints in agriculture-led growth;
- Improving food security policy, information and analysis to support project implementation;

- Incorporating sustainable natural resource management approaches to help Guatemala's rural poor and food insecure populations mitigate the adverse impacts of climate change, increase food production, and improve food utilization.
- Increasing household and firm access to rural financial services to enable value chain growth and expanded participation; and
- Addressing policy and regulatory issues (including Sanitary and Phyto-Sanitary services) in support of value chain competitiveness.

C. From Vision to Strategy to Approach

Vision: The RVCP vision is the market-led growth and development of Guatemalan rural value chains (primarily in horticulture and coffee), fueled by increased private sector investment and expanded rural household participation. RVCP will work on two fronts to improve rural household incomes and increase access to food. First, RVCP will facilitate and support value chain activities that encourage agricultural growth, private investment, and expanded value chain participation by poor rural households. This is expected to generate income opportunities for both producers and laborers, and increase household incomes. Second, RVCP will complement value chain investments with activities aimed at increasing the productivity of food crops grown by poor households for their own consumption, and improving crop storage and food utilization practices, to reduce beneficiary household levels of chronic child under-nutrition.

The USG believes that a geographically focused, integrated set of programs in the areas of agriculture, local governance, and nutrition is most likely to sustainably reduce poverty and hunger in Guatemala. In line with this approach, the end goal of the RVCP is to reduce poverty and contribute to the reduction of malnutrition rates through an agriculture market-led growth program.

Approach: RVCP will use a value chain approach⁴ to improve the incomes and food security of poor rural households. Improved incomes and food security are expected to be a direct result of expanding participation in competitive rural value chains. Expanding value chain participation will require RVCP implementation to focus on strengthening the competitiveness of associative (farmer-owned) agribusiness enterprises, and handicraft groups, increasing their entrepreneurial capacity, facilitating private investment and access to markets.

To date USAID experience is that there is a range of small-scale farmers among poor households which produce high value products, but at different levels of volume, efficiency and quality. At the higher end of the range are small-scale producers who are already linked, to varying degrees, to the market. This higher-end, small-scale producers can benefit from assistance to strengthen their production capabilities and access to markets; however, given their level of production and market knowledge, investing assistance in these producers comes at a lower cost and higher probability for success. At the other end of the range are those farmers who are producing for the

⁴ See www.microlinks.org/vcwiki for definition and explanation of value chain approach and its key features.

market, but with low volume, high inefficiency and poor quality. These lower end, small-scale producers can benefit from program technical assistance, but require significantly more support and need more time to adapt their production and marketing practices. This assistance support incurs a higher cost, requires a more concentrated effort and has a higher risk of failure.

The value chain approach requires understanding the market system in its totality: from input suppliers to producers to traders and processors or buyers; the support markets that offer technical, business and financial services to value chain actors and enable improved productivity/upgrading; the strength and efficiency of vertical and horizontal linkages and cooperation; and the policy and business environment in which the value chain operates.

The key features⁵ of the value chain approach include:

- A market systems perspective;
- A focus on end markets and demand to drive improved productivity and investment;
- An understanding of the role of value chain governance with respect to quality standards; and
- Recognition of the importance of inter-firm relationships.

Key features of the implementation approach include:

- Facilitating changes in producer and firm (enterprise) behavior;
- Transforming relationships between value chain actors;
- Targeting leverage points in the system to catalyze change; and
- Empowering the private sector, i.e., ensuring that the private sector, not the project, is leading improvements in productivity and competitiveness.

The analytics underpinning the value chain approach include selection of high-potential value chains, end market and chain analysis, and the development of a strategy(ies) to improve competitiveness and the depth and breadth of benefits. Implementation of the approach relies on the facilitation of strategic and sequenced interventions to realize a five- or ten-year vision for growth and poverty reduction. Rather than focusing on individual firms and firm-level assistance, the value chain approach aims to catalyze change in the value chain and achieve systemic impact.

Therefore, RVCP will undertake an in-depth analysis utilizing different economic disciplines including, but not limited to, Transaction Cost Economics/New Institutional Economics looking at the current status of the horticulture and coffee value chains to identify specific issues and constraints to competitiveness and increased rural household participation. This analysis will be used to inform the development of the RVCP implementation strategy, which will be articulated in the first Annual Work Plan and will also be used to establish the baseline of the project (see PMP section for additional discussion of baseline data requirements).

⁵ See http://apps.develebridge.net/amap/index.php/Key_Elements_of_the_Value_Chain_Approach

C. Geographic and Commodity Focus

USAID/Guatemala's FTF activities will focus primary investments in the Western Highlands of Guatemala – more specifically the departments of San Marcos, Huehuetenango, Quiché, Quetzaltenango, and Totonicapán – to intensify impact. This geographic area has a total population of 2.8 million people, of which 2.1 million currently live under the poverty line. Some 70,000 households in the area are classified as extremely poor, landless laborers; and 230,000 households are classified as poor, with average landholdings of .2 hectares (.48 acres). An additional 100,000 households, classified as medium, have landholdings of between 1 and 5 hectares. This area has the highest concentration of poverty in Guatemala, and the highest concentration of chronic malnutrition.⁶

This rationale for selection of this geographic focus area is based upon the Universidad Rafael Landívar Institute for Agriculture and Natural Resources (IARNA) job generation model and the IFPRI-developed economic potential typology and GOG/SESAN analysis included in the Index of Food Insecurity (INSAN). This model of agricultural sector development in Guatemala is based on analyses which conclude that small farmer agriculture has the potential to serve as the driving force for development, job creation, and poverty reduction in the area.

USAID/Guatemala FTF activities will specifically seek to expand the participation of poor rural households in the horticulture and coffee value chains. There will be a very select focus upon handicraft value chains to complement the larger agricultural value chain activities. An estimated 15,000 households in the focus area currently participate in the horticulture and 45,000 in the coffee value chains. Expanded producer participation is also expected to generate substantial employment opportunities for poor rural households as laborers.

Maintaining food production for home consumption is critical to enable expanded participation in the horticulture and coffee value chains. Increasing the productivity of crops produced for home consumption (**corn, beans, potatoes among other crops**) reduces food risk, and frees up land for commercial production. Therefore, RVCP will complement horticulture and coffee value chain activities with specific efforts to increase the productivity of food crops grown by rural households for home consumption, and improve food utilization.

D. RVCP Shared Guidelines:

1. *Encourage and enable private sector investment.* Market-led agricultural development uses expanded household participation in competitive rural value chains to improve incomes and food security. Expanding participation requires working with private business interests to establish, strengthen and expand the associative agribusiness enterprises which are critical to building and sustaining broad-based value chain participation and competitiveness. RVCP will incorporate creative approaches that encourage and enable private individuals and business enterprises to take risks and invest in agribusiness development. RVCP should not lead the process of value chain development, or use subsidies to provide services which directly compete with private

⁶ *Livelihoods in Guatemala.* USAID/MFEWS. 2009

providers. Instead, it should encourage, facilitate, and support enterprise and value chain upgrading, agribusiness expansion, and increased rural household participation.

2. Foster public-private partnerships (ppp) and work with value chain leaders to catalyze the industry or value chain. Private enterprises are willing to invest substantially in value chains when incentives and opportunities are clear. Private investment is also critical to increase and sustain value chain competitiveness. RVCP will use alliance principles to specifically promote and encourage private value chain investment motivated by commercial incentives. In the process it will identify and work with industry leaders who are willing to take risks and make value chain investments to facilitate change for small-scale producers. USAID/Guatemala seeks concepts that include alliances (especially those that include businesses and other groups with long-term interests in the areas covered by the project) as core strategic elements. It is expected that a leverage of at least 1:1 (one dollar from other sources for every dollar USAID donates) will be brought into the partnership in either cash or in kind contributions. At least 25 percent of these resources should be from the private sector.

3. Facilitate competitive markets. Competitive agribusinesses must be able to profitably supply end markets and meet buyer requirements. Agribusiness operations also benefit from increased access to competitive input and service providers. RVCP activities will support the ability of rural enterprises to compete in the market, and help private actors address key value chain constraints, without directly providing needed products or services. Where inputs and service providers are not present, RVCP will facilitate the emergence of a market, promote embedded services (provided by an actor in the chain), and help devise payment and delivery mechanisms to improve access to inputs and services.

4. Ensure benefits to rural households to provide incentives for private investment. Expanding rural value chain participation, especially for poor, indigenous and women-headed households, is expected to increase household income and food security. However, incentives for increasing participation must not compromise enterprise competitiveness or distort markets. RVCP will: (a) facilitate the competitive expansion of new and existing agribusiness enterprises; (b) support the establishment of new cooperatives and associations as viable agribusiness enterprises; (c) reduce transaction costs to improve individual and enterprise access to markets and services; and (d) encourage and promote the expanded use of private, independent service providers or buyers.

5. Learn from and build upon experience. Learning and innovation are key to expanding value chain participation, and increasing rural household incomes and food security. Further, causal models are an effective tool for monitoring performance and managing activities to achieve expected results. RVCP will encourage and contribute to the development of causal models, and seek to build upon the knowledge and experience of Guatemalan and U.S. organizations already working in rural value chains in order to achieve greater impact.

6. *Ensure flexibility to respond to new opportunities and changing conditions.* Flexibility is critical to promoting private sector and agribusiness development, especially when markets are dynamic or volatile. RVCP must therefore have the flexibility to respond to emerging opportunities and changing conditions to achieve its objectives.

7. *Environmental stewardship and climate change.* RVCP needs to incorporate approaches that increase rural household capacity to adapt to the effects of climate change. Interventions should seek to minimize negative environmental impact, enhance the resource base, and improve management practices. Activities that have actual or potential impact on the physical environment need to identify and mitigate any negative impacts in compliance with USAID and GOG environmental regulations, using facilitation as opposed to direct service provision.

8. *Collaborate and co-invest with like-minded donors.* Information sharing and collaboration between donors reduces duplication and helps keep programs from working at cross-purposes. Learning and best practice sharing can also be a meaningful result of collaboration, as well as co-funding activities to expand impact. Coordination with other USG agencies, especially the USDA, and other donors is encouraged.

E. Project Components

RVCP has six major components, all of which are designed to directly contribute to the achievement of project and FTF objectives:

- Component 1: Improved Value Chain Competitiveness
- Component 2: Expanded Value Chain Participation
- Component 3: Improved Agricultural Productivity
- Component 4: Expanding Markets and Trade, Unleashing Innovation and Private-Sector Investment (Private Aggregator)
- Component 5: Increased Food Crop Productivity and Improved Utilization
- Component 6: Improved Competitiveness of Handicrafts Value Chain

The applicant will undertake an in-depth analysis of the horticulture, coffee, and handicrafts value chains to identify issues and constraints to competitiveness and expanding participation. This analysis will inform development of the RCVP implementation strategy, which the applicant will articulate in the first Annual Work Plan.

Component 1: Improved Value Chain Competitiveness

1. Approach to improved value chain competitiveness

The objective of Component 1 is to improve the competitiveness of selected Guatemalan rural value chains⁷. This will be accomplished by: strengthening the competitiveness of

⁷ In some select communities, limited handicraft value chain competitiveness activities will be undertaken. This is important because a large portion of the income earned by rural women, especially from handicrafts is used for care and feeding of the family and therefore potentially has a direct impact upon the nutritional status of young children. Some value-chain strengthening activities have broad impact –training, business planning, quality control, etc. and therefore apply to handicraft association-related work. However, given

existing associative agribusiness enterprises; and building effective demand for private technical assistance and business development services (BDS). The Guatemalan horticulture and coffee value chains are well established, productive and competitive in the international market. Product quality standards are established and understood, and both value chains are expanding and increasing exports of high quality (and in the case of coffee, differentiated) products into fairly stable international markets. Both value chains encompass large numbers of rural households (small-scale producers and laborers), and have strong producer associations experienced with incorporating small-scale producers into the value chain and responding to their needs.

Component 1 specifically seeks to strengthen the competitiveness and expand the scale of existing associative (farmer-owned) agribusiness enterprises (cooperatives and associations) presently operating in the value chain. These agribusinesses have the organizational and operational framework to incorporate large numbers of rural households (small-scale producers and laborers) in these value chains in a cost-effective manner.

Activities under this Component will focus on facilitating agribusiness organizations access to and use of fee-for-service technical assistance and BDS to support their operations and increase their competitiveness. This will be complemented by activities which support the establishment of private technical assistance and BDS providers, and help strengthen their management. This combination will help broaden and strengthen the competitive base of rural value chains by increasing the availability and use of expert technical assistance, BDS and training in subject areas critical to maintaining competitiveness, including:

- agricultural technologies and practices;
- agricultural processing technologies;
- agricultural marketing and in the case of coffee understanding of coffee markets
- product quality, standards and certification;
- organizational governance; and
- business and financial management.

The key to expanding agribusiness organizations access to and use of technical assistance and BDS is to build effective demand for these services. Effective demand means that individuals and agribusinesses are willing and able to pay for quality services which produce desired results. Increasing effective demand for key services in rural areas will provide incentives for and enable the emergence of sustainable private, fee-for-service providers providing services all along the value chain. Direct support for service providers will focus on training in business and financial management to improve the competitiveness of their operations.

2. Illustrative activities to improve value chain competitiveness

the anticipated relatively small emphasis upon handicraft value chains within this RFP, the majority of the explanation of results and activities will center around discussions of agriculture value chains. The proposers will be required, however, to address handicraft value chain ideas and will be expected to implement handicraft value chain strengthening activities within this program.

This market-led approach to improving value chain competitiveness will strengthen existing agribusiness organizations competitiveness and management, enabling them to expand participation by incorporating new members and increasing employment opportunities. It will also facilitate the establishment and operation of private technical assistance and BDS providers.

Illustrative activities under Component 1 include:

- promoting and facilitating increased individual and agribusiness access to and use of private technical assistance and BDS (to include handicraft value chains);
- facilitating the establishment of private technical advisory service providers, and improving their business and financial management;
- improving the management and operational capabilities of private input supply, machinery and equipment sales, mechanical services, processing, storage, transport, and information and communications technology (ICT) services; and
- encouraging and facilitating business alliances, joint commercial ventures, and innovative approaches to increase enterprise access to and use of private BDS and financial services to expand and improve their operations.

Building effective demand for technical assistance and BDS, expanding the network of private service providers capable of responding to effective demand, and expanding business operations will help broaden, strengthen and sustain the competitive foundation of both the horticulture and coffee value chains.

3. Expected Results from improving value chain competitiveness

By the end of the project activities under this Component are expected to result in:

- increased availability and use of technical assistance and BDS by agribusiness organizations and other enterprises along the value chain;
- increased purchase and use of ***productivity-enhancing technologies and supporting services*** by agribusiness organizations and others along the value chain;
- increased availability of agricultural production inputs, technology, and services;
- increased availability of agricultural processing technology and services;
- improved incentives for investing in agricultural technology; and
- expanded poor rural household participation in the value chains.

The sustainability of these results depends upon the effectiveness of RVCP activities in improving value chain efficiency and function, including:

- willingness to pay for technical assistance and BDS;
- ability of value chain participants to adapt to changing conditions and respond to changes in demand;
- improved value chain participant knowledge and understanding of technologies, market standards, and prices;
- improved vertical coordination and willingness of small-scale producers and agribusiness organizations to cooperate and compete (constructively);

- increased investment in input supply, and machinery and equipment sales and services;
- increased availability and efficiency of storage, transport, and ICT services.

4. Illustrative Indicators for improving value chain competitiveness

- Value and volume of incremental sales of horticulture and coffee products attributed to FTF implementation
- Per Capita expenditures of rural households (proxy for income) of USG targeted beneficiaries
- Number of private enterprises, producers organizations, trade and business associations and community based organizations receiving USG assistance
- Number of private enterprises, producers organizations, trade and business associations and community based organizations that apply new technologies or management practices as a result of USG assistance
- Number of individuals firms and institutions providing technical assistance, advisory, and/or business development services other than USG
- Number of new technologies or management practices made available for transfer as a result of USG assistance

Component 2: Expanded Value Chain Participation

1. Approach to expanding value chain participation

The objective of Component 2 is to expand the participation of poor rural households (producers and laborers) in selected value chains⁸. This will be accomplished by strengthening the organizational, operational and entrepreneurial capacity of new and existing agribusiness organizations. The Guatemalan horticulture and coffee value chains provide opportunities for incorporating substantial numbers of new participants. International market demand for these products is fairly stable, quality standards are well established, and both value chains have strong producer associations with considerable experience and expertise in helping bring new producers and enterprises into the value chain and supporting their development.

Component 2 specifically seeks to increase management capacity and build the competitiveness of new and existing agribusiness organizations entering the value chain in order to expand household participation. As in Component 1, the emphasis is on dealing with agribusiness organizations as opposed to individuals. Agribusiness organizations provide the organizational framework for reaching large numbers of rural households (producers and laborers) in these value chains in a cost-effective manner. The applicant is not expected to encourage the establishment of new coffee plantations but rather improve the yields of existing coffee farms and improve the coffee quality of small-scale coffee farmers that allows them to enter into higher-value markets.

The value chain model that emphasizes agricultural productivity particularly in high value

⁸ All discussion of value chains includes the possibility of limited handicraft value chain strengthening activities. USAID will participate in the selection and approval of handicraft value chain association subawards.

horticulture with improved markets and targeted private sector investments helps expand participation of poor rural households therefore, stimulating job creation in the rural areas (on-and off-farm) to reduce poverty. Documented experiences in several parts of the world attest to the potential of regions such as the Guatemalan highlands to reduce poverty through agricultural growth, particularly in high-value commodities.

The IARNA economic model analyzes the employment effort of a 10% growth rate in the horticulture sub-sector keeping growth in the other sectors the same. According to the simulation, such growth rate in horticulture would result in a 6.9% overall agricultural growth rate and a 4.78% annual employment growth rate, a rate which is above the population growth rate.⁹ Furthermore, in this scenario the proportion of employment growth linked to agricultural activity is almost matched by employment growth in the non-agricultural, rural sector. Several studies conclude that support for horticulture and coffee production by small-scale farmers is an essential starting point for poverty alleviation, as the earnings generated are spent locally and generate non-farm employment, stimulating the entire economy.

Illustrative on-farm labor requirements from key horticulture crops demonstrate the potential magnitude of on-farm employment. Taking the case of the crop budget for “French” green beans using FY 2010 data for paid labor costs/hectare, Q20,608 (\$2,576) are incurred for land preparation, seeding, first and second weeding/fertilization and harvesting, with harvesting representing Q12,880 (\$1610, or 63%) of total paid labor. To this direct paid on-farm labor are added sorting, packing, grading and transportation and expenditures on non-tradable goods in the rural areas. Maximum on-farm job creation will come from expansion of production of the most labor-intensive crops, for example snow peas and “French” green beans. In snow pea cropping, for example, harvesting begins at eighth weeks and continues for 10-12 weeks; other crops are harvested only once (broccoli, for example) although these crops are planted and harvested over staggered periods during the season. As small-scale farmers increase their production and income, they generate on-farm employment opportunities and the resultant expenditures of their income and that of farm-laborers circulates in the rural non-farm economy in a manner that reduces poverty.¹⁰

Activities under this Component will emphasize organizational strengthening, management support, business and investment planning, and training for agribusiness organizations. It will also provide them with the access to the technical assistance and BDS needed to establish, sustain and improve their operations. The emphasis will be on providing technical assistance, advice and training on key issues, including:

- organizational governance, management and entrepreneurship;
- business and investment planning;
- agricultural production technology;
- agricultural processing technology;
- marketing;

⁹ “Sector Distribution Model of Employment Growth in the Guatemala Highlands, Mellor, John, Abt Associates, Abt Associates, July 2006, Final Report for USAID, “Development Modeling in Support of the Rural Development Cabinet Strategy and Agenda” P.O. No. 5210-0-00-05-00100-00

¹⁰ Mellor/IARNA found that 80% of employment growth in their model is directly or indirectly linked to agriculture (horticulture) production

- product quality, standards and certification; and
- business and financial management

- incorporation and participation of women into the management structures of organizations;
- inclusion of women groups into the program.

Activity implementation will encourage the delivery of services to agribusiness organizations under contractual agreements to help build effective demand. Under these agreements the agribusiness organizations will be expected to pay some portion of the costs of service delivery. Service delivery may be subsidized in the beginning stages, but the amount of subsidy is expected to diminish over time.

The key is to ensure robust agribusiness organizations access to the services needed to support the development of economically viable business operations in the value chain. This will expand the number of participating rural households (producers and laborers), providing them with opportunities to increase their incomes and improve their livelihoods.

2. Illustrative activities to expand value chain participation

Activities under this Component will focus on helping agribusiness organizations become established and operational in the value chain, ensuring the use of technologically sound and financially prudent production practices, processing, and marketing. Illustrative activities include:

- expansion of the number of farmers and farmer associations participating in labor-intensive value chain production and marketing
- strengthening the organization and management of agribusiness organizations;
- building the operational capacity, efficiency and competitiveness of agribusiness organizations participating in the value chain;
- facilitating access to technical assistance, BDS, and training for agribusiness organizations;
- helping agribusiness organizations meet quality standards and obtain market access; and
- encouraging business alliances, joint ventures and innovative approaches to improve access to financing and expand operations.
- analysis on the type of groups that are existing in the focus area to find out whether women are participating in the groups and what is their role in the value chain
- improve women's leadership skills to increase their participation in the value chains

Integrating new agribusiness organizations into the value chain, and helping them acquire the entrepreneurial and organizational skills to become competitive, will further strengthen the value chain and broaden the foundation for expanding and sustaining rural household participation.

3. Expected Results from expanding value chain participation

By the end of the project investments under this Component are expected to result in:

- expanded rural household participation including women in agribusiness organizations;
- increased organizational, operational and management capacity of agribusiness organizations;
- increased number of jobs on farms producing high value horticulture and coffee disaggregated by sex;
- increased income from off-farm agriculture-related employment disaggregated by sex;
- increased access to **productivity-enhancing technologies and supporting services** for the members of newly formed agribusiness organizations; and
- increased competitiveness of agribusiness organizations.

The sustainability of these results depends upon RVCP demonstrating an ability to expand effective participation in the value chain, including:

- increased ability of agribusiness organizations to meet market requirements;
- improved producer and enterprise knowledge and understanding of technologies, market standards and prices from the part of small-scale producers; and
- improved vertical coordination and willingness of small-scale producers and agribusiness organizations to cooperate and compete (constructively) without the presence of market power abuses.

4. Illustrative Indicators for expanding value chain participation

- Number of rural households benefiting directly from USG interventions disaggregated by sex of household head
- Number of jobs attributed to FTF implementation disaggregated by sex
- Number of private enterprises, producers organizations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance
- Number of women's organizations/associations assisted as a result of USG supported interventions.
- Number of private enterprises, producers organizations, trade and business associations and community based organizations that apply new technologies or management practices as a result of USG assistance
-

Component 3: Improved Agricultural Productivity

1. Approach to improve agricultural productivity

High value horticulture production is a technically demanding highly competitive enterprise. Farmers must be linked into the changing market demand and meet exacting and ever-changing consumer tastes and market regulations. Farmer producer

groups will be selected and be provided technical assistance to increase the production and yield of high value horticulture crops and specialty coffee through the introduction of productivity enhancing technologies to increase income from high value crops. Technical assistance providers will work with farmers and farmer producer groups on quality assurance and certification programs.

2. Illustrative activities will include:¹¹

- Horticulture crop production (planting dates, rates, varieties, etc.)
- Fertilization application rates and dates
- Integrated pest management techniques
- Pruning, fruit set, protection (including use of greenhouses, low-tunnels, etc.)
- Installation and maintenance of small scale drip irrigation system for fields and home gardens.
- Testing of varieties under local conditions
- Adopting good agricultural practices to obtain certifications to access markets

3. Expected results from improved agricultural productivity:

- Increased yields of horticulture products and coffee
- New producer associations and strengthened existing associations.
- Adoption of new technologies (seeds, planting techniques, use of greenhouses, pest management, etc.)
- Adoption of new good agricultural practices
- New value-chains or expansion of existing new crops.

4. Illustrative Indicators for improved agricultural productivity:

- Number of additional hectares under improved technologies or management practices as a result of USG assistance.
- Gross margin per unit of land (hectares) of selected product: horticulture and coffee
- Number of private enterprises, producers organizations, trade and business associations and community based organizations that apply new technologies or management practices as a result of USG assistance
- Number of farmers/producers who have applied new technologies or management practices as a result of USG assistance.
- Number of individuals who have received USG supported short-term agricultural sector productivity training.

Component 4: Expanding Markets and Trade, Unleashing Innovation and Private Sector Investment (Private Aggregator)

1. Approach to expanding markets and trade, unleashing innovation and private

¹¹ All activities, results and indicators throughout the document are considered illustrative only and are not limited to those cited.

sector investment

The greater trade openness provided by Guatemala's free trade agreements – in particular the Central American Free Trade Agreement-Dominican Republic (CAFTA-DR) – presents an opportunity and an incentive to expand and diversify the rural economy. Guatemala's trade freedom score in 2009 was above average at 78.4, although certain non-tariff barriers remain, including non-transparent administration of regulations, inconsistencies in customs valuation, and infrastructure limitations.¹²

In order to take advantage of competitive markets, farmers must further improve their productivity in areas of comparative advantage and ensure the quality of products to meet exacting international market standards, especially food safety. Activities to be funded will link an increased number of small-scale producers to domestic and international markets through individual or organizational training and increase their income as a result of increasing access to better markets and market information. Marketing association/producer groups will assist small-scale farmers with strategic plans, good management practices, business and marketing plans, market studies, strengthened financial systems and controls and access to credit. Farmers will benefit from improved market information systems and timely dissemination of price data as well as seasonal and domestic markets analyses; however, farmers will be educated to make informed production decisions based upon several factors and not ones solely based upon market prices.

In addition to working directly with producer groups, USAID will promote a 3-year pilot activity working with private sector wholesalers (market aggregators) and retailers to help link small-scale farmers to local, regional and international markets through innovative and socially responsible value chains.

USAID intends for the recipient, in this instance, to sub-award this pilot activity. This Private Aggregator model is aimed at catalyzing private sector resources and access to markets, while at the same time maintaining agricultural producer power within the supply chain. It is expected that engagement with private sector wholesalers and retailers will stimulate demand for horticulture products and will expand market opportunities for smallholder horticultural producers. The engagement should also be used to facilitate the development of local, regional, and international consumer demand for Guatemalan products. In addition, it is expected that the model would provide jobs – through linkage effects of farm production and marketing-- for those that are not directly engaged or do not have access to the production of horticulture products. Under this private sector aggregator model, USAID also plans to establish an "Innovation and Investment Fund" to co-invest and share the risks with private sector organizations to incentivize investment in, inter alia, small-scale productive infrastructure, such as a packing facility, irrigation systems, cold storage rooms, green houses, and processing, among others, and/or address key value chain and systemic constraints. The purpose of this component is to test how results obtained from this model that expects to catalyze private sector resources, initially in a one-to-one ratio before expanding over the life of the pilot, compares with the current model in the horticulture value chain. This pilot activity would develop the capacity of the Western Highlands region to produce and market **horticulture** products for local, regional and international markets. It is expected that by engaging with the private sector, the demand of horticulture products

¹² Guatemala ranked 110 out of 183 in the 2010 World Bank Doing Business "Ease of Doing Business" indicator.

will increase and will expand market opportunities for smallholder horticultural producers. In addition, it is expected that the model would provide jobs for those that are not engaged or do not have access to the production of horticulture products. If this model that aggregates significant private sector resources proves successful during the pilot phase, USAID plans to expand and extend it beyond the 3 years.

The sub-award for this component shall be competed based upon sub-applicant's commitment to reach a lower cost per farmer for lower risk, high end farmers and expand rapidly to higher-risk, low end small holders, the amount of private investment leveraged, and the expected impact of the project in terms of increased rural household (producer and laborer) participation and incomes. The model will need to be self-sustaining and long-term, with a declining proportion of USAID/Guatemala funds over the initial three-year phase of this Component. Sub-applicant will work with farmers to build supply by introducing sustainable agricultural practices, increasing productivity and reducing post-harvest losses, while it improves their linkage to the market.

Recipient should contemplate at least \$1.0 million per year from USAID funds for this component and request leverage at the rate of at least 1:1 from interested private sector sub-applicants.

2. *Illustrative activities to expanding markets and trade, unleashing innovation and private sector investment*

- **Train** association leaders to better understand international market requirements
- **Improve and facilitate** access to timely and accurate market information
- **Facilitate** and catalyze private investment in selected value chains, including contract production, value-added opportunities, fee-for-service operations, productivity-enhancing research, and other opportunities where and as they arise.
- **Invest in innovative approaches** to reduce transaction costs and enable or improve access to markets.
- **Buy down the risks** for developing, testing and/or marketing new services or products, including but not limited to: training and/or technical assistance in safety standards, quality standards, productivity techniques; and/or new financial services.
- **Help establish** a Sanitary and Phytosanitary system that responds to markets requirements in close coordination with the USAID Policy Regulatory Support for Economic Growth Project and USDA's Foreign Agricultural Service and Animal and Plant Health Inspection Service within Guatemala (USDA).
- **Co-Invest in productivity-enhancing or value-added technologies** for value chain and agribusiness development, e.g., small scale irrigation systems, greenhouses, packing plant, cold storage, and coffee processing and storage.
- **Contribute to value chain-related research** to transfer cutting edge scientific, technological and other innovations to producers from an array of global agribusinesses, and that allow associative agribusiness enterprises to capture higher value-added opportunities in domestic and/or international markets.

- **Contribute to Improved Competitiveness of small producers**, through encouraging and facilitating business alliances, joint commercial ventures, and innovative approaches to increase access to and use of private BDS and financial services to expand and improve their operations.
- **Promote Increased Participation in Value Chains**, providing technical assistance, and training to small agricultural producers to become part/members of producers organization (the private aggregator), to improve productivity of associated producers, to improve products quality and meet markets standards.

3. Expected Results from expanding markets and trade, unleashing innovation and private sector investment

- increased private investment in value chain activities;
- expanded rural household participation in value chains;
- expanded availability of new, more productive and/or innovative services; technologies and practices for value chain actors, including women;
- increased adoption of new, more productive and/or innovative services; technologies and practices by value chain actors, including women;
- increased number of formal and informal commercial relationships between value chain actors - sustained over time and including fee-for service and contract production relationships;
- increased competitiveness of the horticulture sector to take advantage of marketing and trade opportunities; increased demand for smallholder production;
- market price information systems available to farmers;
- small export groups exports certified under good agricultural practices and/or food safety standards seals;
- producers have and share power within supply chains;

4. Illustrative Indicators for expanding markets and trade, unleashing innovation and private sector investment

- Value of new private sector investments in the agriculture sector or food chain leveraged by FTF implementation;
- Number of public-private partnerships formed as a result of FtF assistance;
- Number of small-scale producers groups participating in the private aggregator model;
- Number of rural households participating in the Private Aggregator model, disaggregated by gender of household head;
- Number of jobs attributed to FTF implementation, under the Private Aggregator, disaggregated by gender;
- Number of women's organizations/associations assisted as a result of USG supported interventions.

Component 5: Increased Food Crop Productivity and Improved Utilization

1. Approach to increasing the productivity of food crops for home consumption

The objective of Component 5, the smallest of the five components, is to increase the productivity of food crops grown by rural households for home consumption, and

improve utilization. This will be accomplished by increasing household access to information on the alternatives available for increasing food crop productivity and improving utilization; and increasing access to inputs to enable households to adopt improved varieties, production practices, and food preparation techniques.

Source of Food Crops for Home Consumption in the Western Highlands

Food Crop	Very Poor		Poor	
	Production	Purchase	Production	Purchase
White corn	20%	80%	50%	50%
Beans	3%	97%	29%	71%
Potatoes	1%	99%	7%	93%
Yellow Corn	20%	80%	50%	50%

Source: Guatemala: Livelihood Profiles, 2009

Rural households in the Western Highlands of Guatemala depend upon a combination of production and purchase to obtain staple food commodities for home consumption. Extremely poor households, with little or no access to land, depend primarily upon food purchase. But even these households produce 20% of the corn they consume. And poor subsistence households, with limited access to land, produce 50% of the corn and 29% of the beans they consume.

One of the challenges to expanding poor rural household participation in rural value chains is to reduce the risks associated with change – of moving from subsistence to commercial production. These can be divided into two categories: financial risk; and food risk.

Financial risks are the result of the increased expense of producing horticultural crops and coffee. Food risks are the result of a decrease in food crop production when land is used for other crops. Increasing the productivity of food crops grown for home consumption can therefore reduce food risk, and enable the transition to commercial production.

Crop selection for subsistence households is not a choice between alternative crops. Rather, it is a change in the amount of land allocated to each crop. Poor rural households will always grow some quantity of food on the land available to them, regardless of relative prices, because it is an effective way of turning family labor into food. This is particularly true if labor is the principal input. This low-input, labor-intensive approach is a contributing factor in the low average national yields of basic food crops in Guatemala. The long term national average yield of corn is approximately 30 *quintales/manzana* (2 metric tons per hectare), and 10 *quintales/manzana* (.7 metric tons per hectare) for beans.¹³

¹³ Mapeo de Las Cadenas Agroalimentarias de Maiz Blanco y Frijol in Centroamerica, IICA, 2009

There are technologies readily available for yield the productivity of these crops. These primarily consist of higher-yielding (corn) and more disease resistant (beans) improved varieties, combined with improved crop management practices. The relatively modest increases in staple food crop productivity required to mitigate food risk have a dual benefit. They can increase rural household food security, and enable the allocation of land to commercial crop production.

Therefore, Component 5 activities complement Components 1 and 2 by making information more widely available to poor rural households regarding the alternatives available for increasing staple food production, improving storage and preparation, and increasing access to the inputs needed to adopt those alternatives. Applicants are encouraged to highlight their approach to coordinating these activities with other USAID and USG-funded activities.

The key is to trust that poor rural households make rational decisions, and that they will make rational choices based on the information available to increase staple food production and storage, and change food utilization to improve their children's nutrition.

2. Illustrative activities to increase the productivity of food crops grown for home consumption

Activities under this Component will emphasize: making information available to the members of rural households on improved food crop varieties and production practices, and improved food storage and processing technologies; and increasing the availability of improved seeds, storage containers, and household implements. This will result in the increased availability of food for home consumption. A key concept is to establish and organize this activity to demonstrate the alternatives in which agribusiness organizations members and their families are most interested.

Illustrative activities under this Component include:

- Establishing and managing demonstration plots using improved seed varieties (preferably local seeds) and crop management techniques;
- Organizing demonstrations of improved food storage and preparation techniques;
- Facilitating the supply of improved seeds in response to demonstrated demand;
- Facilitating access to improved technologies for food storage and preparation;
- Training on culturally-appropriate nutrition practices for participating members of households; and
- Facilitating training and technical assistance for the production of crops for self-consumption and high value crops.

Implementation will focus on working with agribusiness organizations and commercial suppliers to establish and manage demonstration plots and food storage and preparation technologies; and to respond to informed demand by making improved seeds, storage containers, and home implements available to the members, employees, and their extended families.

3. Expected Results from increasing the productivity of food crops grown for

home consumption

By the end of the project investments under this Component are expected to result in:

- Increased rural household knowledge of alternatives for increasing the staple food crop productivity;
- Increased rural household knowledge of improved staple food storage and preparation techniques and practices;
- Increased yields of food crops for home consumption;
- Increased rural household access to improved seeds;
- Increased rural household use of improved seeds, crop management practices, and food storage and preparation techniques; and
- Complement activities carried out by other USAID/G Nutrition Program Partners to improve child nutrition.

The sustainability of these results depends upon RVCP demonstrating an ability to impact household food security, including:

- Willingness of poor rural households to adopt alternatives and improve staple food crop production, storage, and utilization;
- Willingness of agribusiness organizations to participate in activities to improve household food security for their members and employees;
- Willingness of commercial seed companies and input suppliers to partner with agribusiness organizations in providing information to member and employee households on the alternatives available for improving food crop productivity, storage, and preparation; and
- Effectiveness of incorporating food security activities into agribusiness organizations operations.

4. Illustrative Indicators for increasing the productivity of food crops grown for home consumption

- Increased yields of food crops grown for home consumption;
- Value and volume of sales of improved staple food (corn and beans) crop
- Number of households adopting improved varieties and production techniques;
- Number of households using improved food storage and preparation techniques;
- Number of people trained in nutrition through USG programs disaggregated by gender.
- Number of vulnerable households benefiting directly from USG interventions, disaggregated by gender of household head;
- Number of people trained in food utilization through value chains program.

Component 6: Improved Competitiveness of Handicrafts Value Chain

1. Approach to Improved Competitiveness of handicrafts value chain

Handicrafts is an important contemporary contributor to Guatemala's economic growth. Based on the country's natural, cultural, and human resource bases, activities in the handicrafts sector have a significant potential to generate new and strengthen existing SMEs as well as community based organizations. The main source of income for 95 percent of the extremely poor is agricultural day labor, and for the remaining five percent, e.g. the informal sector, sales of agricultural products are virtually absent as a source of income. In this context, other sources of income generation could boost their livelihoods, including artisanal work, and other non-agriculture based enterprises. A more dynamic economy can generate needed jobs, especially in rural areas which are characterized by low productivity in the agriculture sector and a lack of the necessary infrastructure to increase market access.¹⁴

Through the promotion of partnerships with other organizations, applicant will promote the generation of new non-farming opportunities for disadvantaged populations facing issues related to poverty and food insecurity in focused geographic areas in the Western Highlands. Through an inclusive business model applicant will work with emerging or incipient groups that need further strengthening as they become inserted into value chains. Activities under this component will target women groups and will be focused on innovation, design of new handicraft products and the strengthening of commercialization at the local and international level. Applicant will work towards the creation and strengthening of new women handicraft producer groups in the targeted area providing direct links to markets for newly developed products, in order to generate sales and increased income for women in the short term and in a sustainable manner through links to relevant value chains.

2. Illustrative activities to improve competitiveness of handicrafts value chains

- Design and development of value added handicraft products
- Development of marketing materials and corporate image
- Technical assistance and training on business management
- Commercialization

3. Expected Results to improve competitiveness of handicrafts value chains

- Integration of supported groups into export commercialization channels and value chains.
- Commercialization and promotion of value added handicraft products.
- Increased sales of value added handicraft products by US\$300,000 from directly benefited groups.

¹⁴ US Government Working Document 2010. Feed the Future FY 2010 Guatemala Implementation Plan.

4. Illustrative Indicators to improve competitiveness of handicrafts value chains

- Number of firms receiving USG assistance to improve their management practices
- Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance
- Number of people receiving USG supported training in natural resources management and/or biodiversity conservation
- Number of rural households benefitting directly from USG interventions

F. Development Communications

USAID/Guatemala anticipates a larger than normal interest in the implementation of the FTF initiative. Therefore a robust communications strategy and the staffing and resources to ensure the importance of development communications are particularly important. Under this section, the applicant should describe the communication strategy that the RVCP will use to inform USG, GOG and other audiences about the progress of the project, including the development of success stories and weekly news. Applicants will be responsible for preparing materials for high-level visitors to project activities that include but are not limited to: “scene setters”, trip itineraries, event agendas, success stories, press releases and reports, and video presentations of the project.

All communications materials must be submitted to the USAID Agreement Officer Technical Representative (AOTR) for review and approval at key points of concept, design, development and pre-production. All camera-ready art, final production files, protection master videotapes and other final versions of all program and communications products shall be submitted to USAID upon agreement termination, unless they have been submitted previously. The AOTR shall receive a minimum of 10 copies of all program and communications products as they are produced.

Strategic communication for development is powerful and has been shown to deepen and expand the impact of development initiatives¹⁵ because it generates behavior change beyond what information dissemination, education, and awareness-raising alone achieves. While the latter three are necessary ingredients of communication, they are not sufficient for getting people to change long-established practices or behaviors—change that is at the core of sustainable development.

The purpose of communication component is to complement, support and underwrite the program’s overall strategy and implementation activities. The project’s communications activities will be guided by a **Strategic Communication Plan** to reach segmented audiences with messages and needed support to motivate sustained behavior change that is in line with the USAID Guatemala Country Development Coordination Strategy (CDCS) and the Program Description of the Rural Value Chains project. The Strategic Communication Plan will be a strategic combination of Institutional Communications and Development Communication that creates synergies between the two to improve the

¹⁵ Mefalopulos, P. *Development Communication Sourcebook: Broadening the Boundaries of Communication* (pg. 8). International Bank for Reconstruction and Development/The World Bank. 2008; Servaes, J. “By Way of Introduction.” *In Approaches to Development: Studies on Communication for Development*, ed. J.Servaes. Paris: UNESCO

success of the program, activity or project (see chart below for distinctions--please note that the two distinct categories require different skills and experience to be most effective) .

USAID Guatemala requests that applicants explain the communications methodology employed to develop an illustrative Strategic Communication for Development Plan for the Rural Value Chains project. (Please note if this methodology will also be used to develop the actual project Strategic Communication Plan if the applicant is selected to implement the project. If a different methodology will be used for the actual Plan, please describe the methodology and justification for using different methodologies for the illustrative and the actual.) The program's monitoring and evaluation (M&E) plan will measure the effectiveness and efficiency of the Strategic Communication Plan and communications activities.¹⁶ Applicants are invited to discuss the value-added that a strategic communication component brings to the Rural Value Chains project. Applicants will provide an illustrative budget¹⁷ and timeline for the communications component.

Applicants are invited to develop the Plan using existing primary and/or secondary research and other reliable evidence, including audience research and other forms of stakeholder consultation. At minimum, the Plan will outline basic elements of strategy: problem statement, desired change(s), measurable goals, segmented audiences, project positioning, main message and supporting information, framework for of media plan; and, propose tactic(s) [social marketing, advocacy, IEC (information, education, communication), non-traditional media, mass media, social media, advertising, public relations, community mobilization, interpersonal communication, lobbying, etc.] to be used, and include justification for each tactic in the context of the strategic elements. Once the selected implementing partner team is in place, the project's actual Strategic Communication Plan will be developed with USAID and other key stakeholders. This Plan will identify further research needs and will dovetail with the annual Work Plan and M&E Plan. The project's Strategic Communication Plan is expected to be complete with all the key pieces including: strategic elements, tactics, communications materials, timeline, and budget. A Creative Brief process is expected to be conducted including the creative team as well as selected key stakeholders, including USAID.

Background on Development Communications (REF: World Bank/DevComm)

Well-conceived, professionally implemented communication programs that are tied directly to reform efforts or development project objectives that bring understanding of local political, social and cultural realities to bear in the design of development programs can make the difference between a project's success and failure.

¹⁶ Communication is here defined as the overarching strategy and the elements that compose strategic communications planning process and plan. Communications is defined here as the activities, materials and channels that are used to implement a communication plan. These communications pieces of the plan must be strategic in and of themselves.

¹⁷ A general rule of thumb for budgeting for strategic communications is between 2 and 5 percent of the total budget. This general rule will vary depending on a variety of factors in the proposed program, activity, project, including but not limited to the target audiences, geographic area, type of materials designed and produced, placement of messages and materials, formative research, and others.

All development requires some kind of behavior change on the part of stakeholders. Research shows that changing knowledge and attitudes does not necessarily translate into behavior change. In order to effect behavior change, it is necessary to understand why people do what they do and understand the barriers to change or adopting new practices. It is not enough to raise awareness of the "benefits," it is critical to understand peoples' barriers or the "costs" they perceive such a change would entail.

G. Award and Management of Sub-Grants

RVCP implementation may use the competitive award of sub-grants to finance project Components and activities. The Applicant will describe its approach to, and how it will manage, the competition and award of grants in line with USAID best practices and the Guatemalan situation. The applicant will design ***an approach to grant-making*** that is cost effective and designed to be responsive to the needs of value chain development activities; and ***procedures for identifying and approving proposals*** that are not onerous and ensure flexibility. The Applicant will establish a cost-effective system for awarding and managing grants. The Applicant will emphasize the application of alliance principles to leverage private investment, and financing, and encourage public-private implementation partnerships.

H. Environmental Compliance

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

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

An original Initial Environmental Examination (IEE) LAC-IEE-04-46 and its Amendments: LAC-IEE-07-52, LAC-IEE-08-54, LAC-IEE-09-71, and LAC-IEE-10-77 have been approved for the Project funding this RFA. These IEEs cover activities expected to be implemented under this Cooperative Agreement. The Applicant shall be responsible for implementing all IEE conditions pertaining to activities to be funded under this RFA and it includes the following language to be applicable to this Project:

A **Categorical Exclusion** is issued to those activities involving technical assistance, training, analyses, studies, workshops, document transfers, and others that will not have an impact on the environment. Applicable sections of to 22 CFR 216.2(c)(2)(i) include:

(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.)

(xiv) Studies, projects or programs 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.).

USAID has determined that a **Negative Determination with Conditions** applies to one or more of the proposed activities. This indicates that if these activities are implemented subject to the specified conditions, they are expected to have no significant adverse effect on the environment.

Negative Determination with Conditions is issued to the new small-scale infrastructure components (such as mini-irrigation systems, cold storage, and small processing facilities) of the Economic Growth program and to all forestry management related activities, including reforestation and restoration activities.

Conditions include:

- Appropriate environmental guidelines and/or mitigation measures have to be developed for activities with negative determination with conditions. The Recipient shall follow USAID's "Environmental Guidelines for Development of Activities in Latin America and the Caribbean", especially Chapter 2 regarding small-scale infrastructure, to identify mitigation measures. This document is available at the following website:
http://www.usaid.gov/locations/latin_america_caribbean/environment/docs/epiq/epiq.html.

Upon identification of site-specific actions, the recipient shall develop an Environmental Mitigation Plan (EMP) to be submitted to the Agreement Officer Technical Representative (AOTR) for approval by the Mission Environmental Officer (MEO) and Regional Environmental Advisor (REA) prior to implementation (See the following links for guidance on EMP development and implementation http://www.usaid.gov/gt/docs/emp_format.pdf English version - http://www.usaid.gov/gt/espanol/docs/emp_format_spanish.pdf Spanish version).

A **Positive Determination** for all activities involving pesticide purchase or use.

A **Deferral** for all activities involving pesticide purchase or use, including training for IR2 activities, and for the forestry projects contemplated in the western highlands.

The Recipient will follow the guidelines and implement the mitigation plan provided in the USAID/Guatemala Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) of January 2010.

As part of its initial Work Plan and all Annual Work Plans thereafter, the Recipient, in collaboration with the USAID AOTR and MEO, or REA as appropriate, shall review all ongoing and planned activities under this program to determine if they are within the

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

Any ongoing activities found to be outside the scope of the approved Regulation 216 environmental documentation shall be halted until an amendment to the documentation is submitted and written approval is received from USAID. Regular reporting by the Recipient to the AOTR will include a section on environmental compliance.

In all sub-agreements under this award the Recipient should include in the Application the requirement to include an Environmental Review Form (ERF) or Environmental Review (ER) checklist using impact assessment tools to screen grant proposals to ensure the funded proposals will result in no adverse environmental impact, to develop mitigation measures, as necessary, and to specify monitoring and reporting. Use of the ERF or ER checklist is called for when the nature of the grant proposals to be funded is not well enough known to make an informed decision about their potential environmental impacts, yet due to the type and extent of activities to be funded any adverse impacts are expected to be easily mitigated. Implementation of sub-grant activities cannot go forward until the ERF or ER checklist is completed and approved by USAID. The Recipient shall be responsible for ensuring that mitigation measures specified by the ERF or ER checklist process are implemented.

USAID anticipates that environmental compliance and achieving optimal development outcomes for the proposed activities will require environmental management expertise.

USAID anticipates that environmental compliance and achieving optimal development outcomes for the proposed activities will require environmental management expertise. Respondents to the RFA should therefore include as part of their application their approach to achieving environmental compliance and management, to include:

- The applicant's approach to developing and implementing an environmental review process for a grant fund and/or an EMP.
- The applicant's approach to providing necessary environmental management expertise, including examples of past experience of environmental management of similar activities.
- The applicant's illustrative budget for implementing the environmental compliance activities. For the purposes of this solicitation, applicants should reflect illustrative costs for environmental compliance implementation and monitoring in their cost proposal.

I. Alliance Partners

Applicants are expected to form alliances and partnerships with non-traditional partners, private businesses, and development organizations to address issues and achieve results in the five components of this project. Special attention should be given to the formation of alliances with the private sector for Component 4: Private Aggregator.

Specifically, applicants are expected to describe the roles, responsibilities, expertise, and commitments of their alliance partners; and how the partners will share resources, risks and rewards, leveraging significant resources, apply proven expertise, work jointly with new and existing partners, providing access to markets for horticulture products and coffee and use innovative approaches to achieve the expected results. USAID has an ongoing public private partnership in the horticulture value chain with Wal Mart and has already started to make contacts with potential private sector partners in the coffee value chains such as with Hanns R. Neumann Stiftung, North America (Andrew Sargent, General Manager andrew.sargent@hrnstiftung.org) USAID encourages applicants to be creative and look for potential private sector partners that are willing to enter into alliances to achieve common development and business objectives.

Interested applicants should take note that while alliance building is encouraged for this program, ultimately, the award of a Cooperative Agreement will be issued to ONE organization. That recipient of the award will then assume all responsibilities, liabilities, and risks associated with the terms of the agreement.

J. Leverage and Beneficiary Cost Sharing

Applicants should treat USAID/Guatemala funding as an incentive to leverage funds from alliance partners which in combination can be used to build the foundation for sustained rural economic growth. The Applicant and its alliance partners are expected to provide leverage to help establish sustainable service delivery mechanisms to rural farm and off-farm enterprises. Leverage, defined as financial and in-kind contributions/investments which enable the achievement of substantial results, could include resources from joint ventures and commercial partnerships among others. However, it should not include sales, sales contracts, or purchase agreements. Within these parameters, Applicants are expected to quantify the leverage which will be provided in terms of cash and in-kind contributions.

In addition to leverage provided by partner resources, USAID expects the Applicants, as recipients, to contribute at least 15% in cost sharing to implement program activities and achieve expected results.

K. Rapid Response Fund

USAID requires that Applicant establishes a mechanism to manage and implement a Rapid Response Fund (RRF) of \$379,175 over the five year period of implementation.

This RRF will give USAID the flexibility to quickly and efficiently respond to problems or to design program activities that have not been foreseen or anticipated but that offer high pay off within any of the components under this Agreement. The fund will be managed by the Applicant in a separate line item. The use of these funds requires USAID, Agreements officer's Technical Representative (AOTR) prior written approval, and shall be reported in a Quarterly and Annual Performance Reports.

V. CROSS-CUTTING ACTIVITIES

A. Engaging the Underserved in Agriculture-Led Growth

RVCP emphasizes increasing the participation of poor rural households in competitive value chains, which is expected to result in increased levels of household income and food security. The Applicant will incorporate approaches which engage previously underserved populations as follows:

1. Gender

Women have lower levels of educational achievement and literacy, lower earning in formal sector employment and less property ownership, and high levels of gender-based violence and maternal mortality. USAID will support complementary gender analysis and research activities to expand the IARNA model for sustainable rural development to include a stronger focus on women's role in small-scale agriculture and the implications of gender dimensions in the flow of remittances. The Applicant will need to ensure that the multiple roles of women as caretakers and mothers are addressed, including training in nutrition for mothers and their participation in agricultural production and processing activities.

The Applicant will develop approaches to expand the participation of women's groups to the extent practicable and feasible. Many of these groups were not previously reached by income generation programs focused on established groups with the capacity to rapidly generate increased sales and employment. RVCP will be complemented by other FTF efforts with official institutions, such as Instituto Nacional de Estadística (INE), Secretaría de Seguridad Alimentaria (SESAN) and others to develop an approach for collecting and reporting gender disaggregated data on agriculture as the basis for developing and tracking changes in economic activity and incomes.

The Applicant must incorporate a gender analysis of each value chain, and specifically seek to demonstrate innovations and technologies that reduce women's labor burden and/or increase productivity of labor typically provided by women and/or productivity on production activities typically managed by women. This will include clearly defined strategies for targeting outreach and communication to women.

The applicant will take into consideration the following requirements to ensure that gender-related issues are well integrated into the program:

1. Present an analysis to USAID on the following:
 - a. How will the anticipated results of the program affect women and men differently?
 - b. What impact will the program have on gender inequalities?
 - c. What are the policy, legal and socio-cultural constraints to women and men becoming full beneficiaries of the program, and what design elements are required to remove or compensate for these constraints?
2. Ensure that women as well as men benefit from the program. To achieve this, the project should train field personnel on gender issues;
3. Incorporate objectives for women's membership and participation in decision-making as part of the organizational strengthening activities with producer groups;
4. Identify viable women's producer groups for inclusion in the project and assist them to be competitive in mainstream project activities.;
5. Promote to the extent possible the diversification of membership (i.e., both men and women) and of leadership of cooperatives and producer groups as part of

- the organizational strengthening and technical assistance provided to these groups, and to consider including diversity as a criteria for group selection;
6. Include sex-disaggregated targets into their Performance Management Plans to be able to measure the progress of women's achievements relative to men's. Where practicable, household-level data will be collected which allows for analysis of levels and changes in levels for both men and women in households; and
 7. Make sure that baseline data incorporates gendered approaches.

Under this section, the applicant may propose to enter into a sub-agreement with other organizations working to empower women to strengthen business leadership of rural women.

Expected results:

- Men and women from producer groups benefitted will have access to technical assistance, training and access to markets that will result in an improvement of their economic conditions.
- At the end of the Project, it is expected that members of producer groups will have the skills necessary to help reduce inequality and subordination of women to have the same opportunities as men.

2. The Extremely Poor

Agricultural production accounts for only 13% of Guatemala's GDP, but is a significant source of income and employment for the rural poor. The vast majority of rural households are characterized as either subsistence farmers (53%) or landless laborers (16%). Subsistence agriculture is the major source of livelihoods in the RVCP focus area. In this area, the Western Highlands, most families are classified as poor, with over half the economically active population working in agriculture. Many subsistence farmers grow crops on marginally productive land, and are limited in their ability to participate in dynamic value chains that would enable them to increase their incomes. The poorest households in Guatemala are landless, female-headed indigenous households suffering from social and economic exclusion. These households purchase the bulk of their staple food, with only a small portion of their needs being met from their own production. Their main source of income for 95% of these households is agricultural day labor. Increasing their incomes and food security is therefore dependent upon expanding employment opportunities for them in value chain production and processing activities. **The Applicant will develop approaches to expand access for extremely poor households to such opportunities.**

3. The Indigenous

41% of Guatemala's population identified themselves as indigenous in the 2002 census. Rural indigenous (primarily Mayan) populations were the main victims of a Guatemala's long-running (36 year) internal conflict, which formally ended with the signing of the Peace Accords at the end of 1996. However, social conditions for the indigenous population have been slow to improve. Income inequality remains extreme, and two-thirds of the indigenous rural population remains poor. As a result, Guatemala ranked near the bottom of a new index measuring opportunity inequality in Latin America published by the World Bank last year. **RVCP will specifically seek to expand**

opportunities for these populations in order to address the root causes of chronic hunger and food insecurity.

4. Working with Local Governments:

Local coordination and support will be vital for the sustainability of Feed the Future. Specifically, local governments (especially municipalities) hold significant potential to coordinate and deliver sustainable local development. The applicant will be required to coordinate activities with the USAID local governance/decentralization program. These activities will promote economic opportunities within the target municipalities as well as help strengthen the capacity of participating municipalities to deliver basic services, especially water and sanitation, and to support community-based advocacy to ensure that food security and rural development are addressed by local authorities.

B. Food Security Policy, Information and Analysis

Much of the information and analysis on food security in Guatemala, causes, and potential solutions is fragmented, and does not provide information in sufficient depth to inform the development of supportive food security policies and FTF activity design. The USG has conducted a stocktaking exercise to identify information and analysis gaps, and commissioned a rapid review of the food security situation in Guatemala in November of 2009 to provide the foundation for the design of future food security activities. This review assessed the state of the agricultural sector with regard to food security, and the role of the public sector, international donors, universities, and indigenous and farmer groups. USAID helped develop a nation-wide evaluation of hydro-geological resources. USAID produced and presented a set of six analytical studies that identified constraints to food security based on rural incomes, basic grains, horticulture, access to markets, water, agricultural technology and finance. USAID also supported a study to evaluate agriculture vulnerability in areas with the highest food insecurity and malnutrition rates and a typology study to identify the municipalities with the highest level of poverty and agricultural potential.

The USG also commissioned an assessment of local institutional capacity and data availability, and a framework analysis of critical constraints. Included in this process was a review of existing literature, including the GOG Strategic Plan for Food and Nutritional Security (2009-2012), the MFEWS Livelihoods Study on Guatemala (2009), the Institute of Agriculture and Natural Resources (IARNA) agriculture and job generation model, previous sector studies, and other donor projects.

The GOG PESAN matrix of objectives and indicators and existing national data sets was also reviewed, including stunting data from the National Study on Child and Maternal Health (ENSMI 2009), national and sub-national poverty data from the National Survey on Living Conditions (ENCOVI), MFEWS early warning reports, the Third School Height Census, and Millennium Development Goal indicators.

However, additional work will be needed during FTF implementation to identify gaps and fully coordinate food security efforts. In that line the USG has identified efforts needed to support the development of an evidence-based food security initiative. Most of these studies below will be conducted by other partners under different instruments such as the Economic Observatory, the Demographic Health Survey and the Monitoring and Evaluation instruments.

- Studies and surveys to fill gaps in existing data sets, e.g., the Millennium Development

Goal data is spotty and inconsistent; periodicity of malnutrition data from the ENSMI study (once every six years) and the ENCOVI poverty indicators (once every four years);

- A household-level study on food consumption behaviors to better understand nutritional practices (the last study was in the 1960s);
- Establishment of a nutritional surveillance system for monitoring nutritional status;
- Sustainable adoption and use of MFEWS in coordination with partners such as SESAN, WFP, and FCO;
- Impact analysis of special initiatives and quantitative modeling of agricultural policies;
- Support for SESAN in the development of an M&E matrix of objectives and indicators for PESAN to include baselines, targets, and results; and
- Establishment of baselines and disaggregated data by sex, indigenous and non-indigenous populations, and target geographic areas.

RVCP will not directly support these efforts. However, RVCP value chain work is expected to feed information on policy constraints and related issues to a project, whose focus will be policy dialogue and reform. Nonetheless, RVCP should include bottom-up advocacy to ensure that value chain actors have a voice in the policy agenda. In addition, the Applicant will make certain that RVCP performance monitoring and learning activities are consistent with, contribute to, and complement these efforts.

C. Climate Change and Natural Resources Management

The impact of climate change in Central America and Guatemala is reflected in the dramatic increase in the frequency of severe weather events. The GOG Ministry of Environment (MARN) “National Policy for Climate Change” (March 2009) cites the negative impact during the past decade of Hurricane Mitch (1998) and Tropical Storm Stan (2005), as well as the impact of heavy rainfall in the early months of 2008 on crops lost and domestic and rural infrastructure in Peten, Izabal, and Alta Verapaz. Climate change is aggravated by poor agricultural practices and land use, which limit the ability of rural populations to adapt to changing conditions. These practices negatively impact quality of life and the quality and quantity of hydrological goods and services. They also contribute to a loss of biological diversity, increases in epidemiological illnesses, reduced production of basic grains, and household food insecurity.

FTF provides an opportunity to design and implement best practices to help poor rural Guatemalans adapt to the changing conditions in their physical environment. The Applicant will contribute to this process by incorporating approaches and activities which will help Guatemala’s rural poor and food insecure populations mitigate the adverse impacts of climate change into RVCP efforts to increase rural household food production and improve food utilization.

D. Financial Services

Access to financial services is a major constraint to value chain expansion in rural Guatemala. Commercial banks are understandably reluctant to engage in agricultural lending due to perceived risk. Microfinance institutions (MFIs) are fairly well developed, but the amount loan capital needed to finance agricultural production and the irregular cash flow generated by agricultural activities limits lending to agriculture. Moreover,

financial services involve more than credit. The limited rural presence and reach of financial institutions leaves many rural households unbanked, without the means to formally save, or engage in the formal financial transactions required in a modern economy. In sum, available rural and agribusiness financing is inadequate to support the growth needed to meet GOG and FTF goals.

Increasing producer and household access to financial services in rural areas requires different business models from those in urban or peri-urban areas where the density of economic activity is high. The homogeneity of economic activity requires business models that emphasize broad access to financial services – savings, credit, and transactions. On the financing side, many farms in rural areas produce the same commodities. This exposes financial institutions to substantial risk in the event of crop failure. Increasing access to financial services in rural areas requires technology innovations to facilitate transactions services, encourage savings, and spread credit risk. Improving the business and financial management of agricultural enterprises is critical to increasing access to financing. Balance sheets, income statements, and cash flow are the language of banking, and are critical components of credit applications. Increasing access to financing for agricultural enterprises also requires the development of different loan products. Credit facilities must be tailored to the products being produced. Therefore, loan products need to be developed which recognize the value of rural collateral.

In summary, expanding rural household participation in competitive value chains will require increasing individual and firm access to a broad range of financial services, and specialized financing products, to facilitate investment. RVCP will support this process by working to improve agribusiness organizations and service provider business and financial management and record keeping, encouraging the development and testing of innovative alternatives for improving financial services provision, and facilitating partnerships with financial institutions to improve financial services delivery.

E. Policy and Regulatory Issues

Both the horticulture and coffee value chains are well established, and the products which they supply are very competitive in the international export market. However, maintaining international market competitiveness is more complicated than supplying the domestic market, and requires that Government of Guatemala play an active role in maintaining the enabling environment for exports. By its very nature this encompasses policy and regulatory issues.

An initial policy reform agenda has been identified by USAID and will form part of the policy dialogue to be carried out with the GOG. It is included as an advocacy program under the FtF diplomatic strategy. Policy dialogue will be conducted in collaboration with other donors and the private sector. This policy agenda will be implemented by a complementary USAID project called The Policy Regulatory Support for Economic Growth (PRS).

The PRS purpose is to develop a policy analysis capability and technical assistance to support policy, legal and regulatory issues in four areas: food security, rural development, trade capacity and environment. This project will respond to rural development needs that are both agriculture and non-agriculture, ensure continued support to economic trade and market development, and provide robust policy support to

the environmental sector. In the area of Food Security the PRS will help to strengthen the Guatemalan government's ability to plan and implement programs that improve food security in the country; in the area of Rural Development will help to improve the enabling environment for both agricultural and non-agricultural rural development for the whole country and especially in the western highland. This region has the highest poverty indexes but also presents the best conditions and potentials for the development of horticulture. The Rural Development component will focus in some of the more serious systemic constraints impeding the development in high poverty rural area. The RVCP is expected to identify constraints and bottlenecks that impede the successful implementation of value chains and will feed that information into the PRS Project whose objective is to push forward policy dialogue and reform.

The following is a short discussion of critical areas which require the continuing involvement of the GOG and that will be supported through the PRS Project.

1. Sanitary and Phyto-Sanitary (SPS) Issues

Government inspection and certification of fresh fruits and vegetables is critical to their export. Specifically, exporting country governments are internationally recognized as the competent authority for certifying export compliance with the importing country norms, regulations and standards. In Guatemala this critical function is performed by PIPAA. PIPAA was originally established as a stand-alone project in the Ministry of Agriculture, Livestock and Food (MAGA), but has undergone a series of structural changes over time in order to sustain its critical operations in the face of changing government priorities and practices, civil service staff remuneration, and budget pressures.

In the first instance PIPAA moved out of MAGA into AGEXPORT, receiving operational funding directly under the umbrella of AGEXPORT. However, this relationship raised importing country concerns related to the definition of competent authority, and potential conflict of interest in receiving fees for services. This was subsequently addressed when MAGA agreed to accept responsibility for paying staff salaries, while AGEXPORT provided office space and operating expenses. This working arrangement makes it possible for PIPAA to retain the internationally recognized role as the competent authority, and maintain the leadership and staff qualifications required to credibly certify export products. However, it still leaves PIPAA staff vulnerable to changes in government, budgetary pressures, and staff remuneration practices.

Resolution of this situation is critical to increasing the export of horticultural products. The GOG and AGEXPORT are currently seeking a long-term structural solution to the problem, and the USG is considering support for these efforts. Resolution is critical to the success of RVCP.

2. Water and Irrigation

Guatemala's agricultural production is limited by the lack of irrigation in the country, in spite of the relative abundance of water resources. Guatemala has a rich potential to expand irrigated agriculture to create more prosperous agricultural production. However, Guatemala has not passed a water law or authored a coherent public sector policy framework for water use and irrigation. A high priority is to strengthen policies,

legislation, and systems for water and irrigation. Technical assistance will be provided to draft the water legislation and consult with stakeholders in order to create a consensus and reconcile diverging interests around a new policy and legislative framework. Given the fragility and frequent turnover of government institutions, the PRS will work on building coalitions for reforms within civil society, the private sector, and the donors to create a shared vision and common voice for rural development.

3. *Ease of Doing Business*

There are a broad range of government regulatory and licensing practices which can either help or hinder efforts to strengthen and expand competitive rural value chains. The current situation in Guatemala as compared to its neighbors is summarized in the annual World Bank Ease of Doing Business report. Continuing USG efforts will be needed to stay engaged in policy dialogue to try and prevent GOG backsliding, and to encourage GOG simplification of requirements in order enable private investment and promote development.

Additional policy and regulatory issues constraints are expected to be identified by the RVCP analysis of the horticulture and coffee value chains, which will be used as the basis for the RVCP implementation plan.

These issues and constraints identified will help focus the PRS on supporting market expansion and trade through strengthening the efficiency and transparency of institutions involved in trade and improving the business climate.

RVCP value chain work is expected to feed information on policy constraints and related issues to this project, whose focus will be policy dialogue and reform. RVCP implementation is expected to further inform policy dialogue and reform efforts. However, RVCP should include bottom-up advocacy efforts to ensure that value chain actors have a voice in the policy agenda. The Applicant will make certain that RVCP reporting addresses emerging policy and regulatory constraints and issues.

VI. EVALUATION, PERFORMANCE MONITORING AND LEARNING

A. Evaluation

Under the Obama Administration, USAID has committed to evaluating programs and projects using credible impact evaluation methodologies. To be credible, impact evaluations should be conducted by objective third parties; Therefore, RVCP cooperation and input will be needed when it is subject to such evaluations. RVCP will also benefit from engaging in and cooperating with evaluation activities that allow project managers and field staff to gauge whether the behavior change they are attempting to foster is indeed happening and be ready to redirect investments or activities when needed.

B. Performance Monitoring

Monitoring and evaluation programs should be utilized in order to assess the impact of the program interventions and whether or not objectives are being achieved and if they should be adjusted. USAID intends to award an overall Monitoring and Evaluation instrument to monitor FtF and other USAID activities. The RVCP will have to coordinate

with the Monitoring and Evaluation instrument in setting a baseline and targets for specific FtF and Operational Plan indicators once established and report project specific indicators to feed information into that system.

The Recipient will provide a proposed Performance Monitoring Plan (PMP) as part of a response to this RFA. The PMP will be reviewed as part of the selection process. The Performance Monitoring Plan specifies indicators, targets, and methodologies that will be used to monitor the progress of project activities towards achieving key milestones and results related to project objectives, expected outcomes, impacts, and measures of accountability. The PMP also gives USAID a tool for gauging performance and understanding any unforeseen changes in strategy needed to achieve intended results. Since the PMP must monitor selected indicators on an ongoing basis, implementers will be expected to select those indicators that best relate to outputs and outcomes. PMP will need to incorporate Feed the Future indicators that will need to be monitored during project implementation.

The PMP will present indicators that could objectively measure progress towards achieving each of the results included in the proposal. The applicant is expected to develop specific indicator, baselines and targets. It is expected that the Applicant will conduct surveys at the beginning of the project to establish the baseline and at the end of the project to measure the impact of the program. To the extent this can be done in coordination with the planned umbrella M&E instrument this will be encouraged. The applicant must also pay attention to the data collection process to ensure that quality data are collected and available to inform management decisions. The key criteria for assessing the quality of performance data are: validity, reliability, timeliness, precision, and integrity.

For each indicator, a brief narrative must include at the minimum the following:

- The Recipient's data collection method (e.g. how often data is collected, who collects the data, who analyzes the data collected, controls in place to safeguard data);
- Data quality information for all relevant indicators (USAID proposed/Recipient proposed indicators). Data quality includes: a precise definition of the indicator, unit of measure, and disaggregation information to include women, youth, members of vulnerable populations and people with disabilities;
- Indicator validity (i.e., the relationship between the indicator and the desired output or result)
- Life of activity targets for each relevant indicator for each fiscal year of this program; and
- The Recipients procedures for ensuring data quality of sub-recipients' reported data.

Applicants should also be familiar with the standard indicators that USAID is obliged to measure for various agency frameworks, such as the FTF results framework, Microenterprise Results Reporting (MRR), and the Operational Plan (OP). They will be encouraged to propose additional indicators other than the illustrative ones provided in

this document if they better capture the proposal's ability to measure impact. Indicators should be gender disaggregated where appropriate.

Applicants will submit an illustrative PMP that includes notional indicators, anticipated Life of Project and annual targets for these indicators, and a strategy for monitoring these indicators during implementation. The PMP will be finalized after project start-up and submitted with the first Annual Work Plan for USAID approval. Any subsequent changes in the PMP will require concurrence from USAID.

The Recipient will implement and manage a process of assessing and reporting that supports reaching the program outcomes while strengthening impact. The program monitoring and evaluation plan will be designed to disaggregate by gender, allowing for the full capture of program impact on women. The program will also track nutrition related behavior change and household food security to distill discernible impacts from increased income levels, agricultural services (extension, best-practice dissemination, improved input supplies and market relationships).

During the project start up phase it will be important to define the standard evaluation objectives and questions based on a review of the programs' objectives, design and logistics. Interviews should be conducted with key contacts from relevant stakeholders and organizations. Baseline assessments should be conducted to help ensure that all relevant and required data are complete and that all indicators can be presented in a uniform format. Focus group discussions with potential beneficiaries should be conducted in the region where the program will focus its implementation. Two field evaluation/impact study shall be conducted, one mid evaluation after two years of project implementation and a final impact evaluation at the end of the project. The results will allow for learning-based adjustments to be made in the program and/or for the purpose of adjusting future programming. The timing of the studies shall be decided in accordance with USAID/Guatemala, while taking into account the policy environment. It will be important to ensure that evaluation results, if possible and appropriate, are made available in time for important policy-related decisions.

C. Learning

Experimentation is essential to innovation and effectiveness. RVCP must utilize a knowledge/learning methodology that builds in continuous learning and evaluating about "what works" and "what does not." Activities to expand poor rural household participation in value chains will be unavoidably experimental given the challenges of incorporating these households while maintaining value chain competitiveness, transforming them from subsistence to commercial orientation, and improving food security. Ongoing monitoring and outcome-related evaluations will allow RVCP to learn from these experiments, obtain timely feedback on their success, and make adjustments in intervention design, as needed.

I.2) AUTHORIZING LEGISLATION

This award is authorized in accordance with the Foreign Assistance Act of 1961, as amended.

APPLICABILITY OF 22 CFR PART 226 (MAY 2005)

(a) The provisions of 22 CFR Part 226 and the Standard Provisions attached to this

agreement are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subrecipient from coverage. The recipient shall assure that subrecipients have copies of all the attached standard provisions.

(b) For any awards or subawards made to Non-US organizations, the "Standard Provisions for Non-US Nongovernmental Grantees" shall apply. All recipients are required to ensure compliance with monitoring procedures in accordance with OMB Circular A-133.

I.3) AWARD ADMINISTRATION

For non-U.S. organizations, the Standard Provisions for Non-U.S., Nongovernmental Recipients will apply. While 22 CFR 226 does not directly apply to non-U.S. applicants, the Agreement Officer will use the standards of 22 CFR 226 in the administration of the award. These documents may be accessed through the world-wide-web at:

<http://www.usaid.gov/business/regulations/>

[END OF SECTION I]

SECTION II – AWARD INFORMATION

II.1) ESTIMATE OF FUNDS AVAILABLE

Subject to the availability of funds, USAID intends to provide approximately \$40,000,000.00 in total USAID funding for the life of the activity.

II.2) NUMBER OF AWARDS CONTEMPLATED

The Government may issue one or more awards resulting from this RFA to the responsible applicant(s) whose application(s) conforming to this RFA are the most responsive to the objectives set forth in this RFA. The Government may (a) reject any or all applications, (b) accept other than the lowest cost application, (c) accept more than one application, (d) accept alternate applications, and (e) waive informalities and minor irregularities in applications received.

The Government may make award on the basis of initial applications received, without discussions or negotiations. Therefore, each initial application should contain the applicant's best terms from a cost and technical standpoint. The Government reserves the right (but is not under obligation to do so), however, to enter into discussions with one or more applicants in order to obtain clarifications, additional detail, or to suggest refinements in the program description, budget, or other aspects of an application.

Neither financial data submitted with an application nor representations concerning facilities or financing, will form a part of the resulting agreement(s).

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

II.3) START DATE AND PERIOD OF PERFORMANCE

The estimated period of performance for the resulting Cooperative Agreement(s) is o/a July 2012 through o/a June 2017 (five years).

II.4) TYPE OF AWARD

USAID plans to negotiate and award an assistance instrument known as a Cooperative Agreement with the successful Applicant for this activity. A Cooperative Agreement implies a level of “substantial involvement” by USAID through the Agreement’s Officer Technical Representative (AOTR). USAID has the right to offer more than one award under this RFA.

USAID/Guatemala will be substantially involved with the Recipients during the performance of the Cooperative Agreement to ensure that implementation proceeds as planned and is consistent with the Mission’s Strategic Objectives.

The USAID Agreement’s Officer Technical Representative will participate in activities under the resulting Cooperative Agreement in the following manner:

- Approval of the Recipient's key personnel, including the program Manager and senior long-term technical staff
- Review and approval of annual work plans
- Review and approval of a Performance Monitoring Plan
- Technical concurrence and approval by the Agreements officer of sub-awards
- communications materials produced by the Rural Value Chains project must be submitted to the USAID Agreement Officer Technical Representative (AOTR) for review and approval at key points of concept, design, development and pre-production.
- Monitor to authorize specified kinds of direction or redirection because of interrelationships with other projects.

[END OF SECTION II]

SECTION III – ELIGIBILITY INFORMATION

III.1) APPLICANTS

This project is restricted to local (Guatemalan) organizations. To be eligible for this program, an organization must:

1. Be a Local (Guatemalan) Non-Governmental Organization organized under the laws of the cooperating country;
2. Have its principal place of business in the cooperating country;
3. Be managed by a governing body, the majority of whom are citizens or lawful permanent residents of the cooperating country;
4. Attach official documentation of their formal legal status as an NGO in the host Country; and
5. Subsidiaries or external branches of entities organized or located outside Guatemala are not considered “local organizations” for the purpose of this RFA.

III.2) COST SHARE AND LEVERAGE

Applicants should treat USAID/Guatemala funding as an incentive to leverage funds from alliance partners which in combination can be used to build the foundation for sustained rural economic growth. The Applicant and its alliance partners are expected to provide leverage to help establish sustainable service delivery mechanisms to rural farm and off-farm enterprises. Leverage, defined as financial and in-kind contributions/investments which enable the achievement of substantial results, could include resources from joint ventures and commercial partnerships among others. However, it should not include sales, sales contracts, or purchase agreements. Within these parameters, Applicants are expected to quantify the leverage which will be provided in terms of cash and in-kind contributions.

In addition to leverage provided by partner resources, USAID expects the Applicants, as recipients, to contribute at least 15% in cost sharing to implement program activities and achieve expected results.

[END OF SECTION III]

SECTION IV – APPLICATION AND SUBMISSION INFORMATION

IV.1) POINT OF CONTACT

Ms. Alejandra Garcia
Acquisition Specialist
USAID/Guatemala
Email: rvcp@usaid.gov
Km 6.5 Final Blvd. Los Próceres
Santa Catarina Pinula, Guatemala

IV.2) REQUIRED FORMS

All Applicants must submit the application using the SF-424 series, which includes the:

- SF-424, Application for Federal Assistance
- SF-424A, Budget Information - Nonconstruction Programs, and
- SF-424B, Assurances - Nonconstruction Programs

These forms can be found in the following links

- SF-424 http://apply07.grants.gov/apply/forms/sample/SF424_2_1-V2.1.pdf
- SF-424A <http://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf>
- SF-424B <http://apply07.grants.gov/apply/forms/sample/SF424B-V1.1.pdf>

IV.3) REQUIRED CERTIFICATIONS

In addition to the certifications that are included in the SF 424, organizations must provide the following certifications, assurances and other statements included in the attachment No. 2.

1. Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs (This assurance applies to Non-U.S. organizations, if any part of the program will be undertaken in the U.S.);
2. Restrictions on Lobbying (22 CFR 227);
3. Prohibition on Assistance to Drug Traffickers (ADS 206);
4. Certification Regarding Terrorist Funding (AAPD 04-14);
5. The Survey on Ensuring Equal Opportunity for Applicants;
6. A Data Universal Numbering System (DUNS) number;
7. A signed copy of Key Individual Certification Narcotics Offenses and Drug Trafficking (ADS 206.3.10); and
8. A signed copy of Participant Certification Narcotics Offenses and Drug Trafficking (ADS 206.3.10).

Electronic copy of these certifications can be also found in the following link:

<http://www.usaid.gov/policy/ads/300/303sad.pdf>

IV.4) APPLICATION PREPARATION GUIDELINES

Application may be submitted by institutions individually or in group. In the case of a group, the application must include only one prime applicant, which shall enter into sub-agreements or contracts with partnering institutions. In this case, the Prime Applicant(s)

will be responsible for establishing and maintaining sub-agreement and/or contracting relationships with proposed partners. For the purposes of this RFA, the term “applicant” is used to refer to the prime and any proposed partners.

Applications received by the deadline will be reviewed for responsiveness to the specifications outlined in these guidelines and the application format. Section V addresses the technical evaluation procedures for the applications. Application which is incomplete are not directly responsive to the terms, conditions; specifications and provisions of this Request for Application may be categorized as non-responsive and eliminated from further consideration. Applications that are submitted late or are incomplete run the risk of not being considered in the review process. Late applications will be considered for award only if the Agreement Officer determines it is in the Government's interest.

Applications shall be submitted in two separate parts: (a) technical, and (b) cost or business application and must be submitted no later than the date and time indicated on the cover page of this RFA, to the location indicated on the RFA.

The application should be prepared according to the structural format set forth below. Technical applications should be specific, complete and presented concisely. The applications should demonstrate the applicant's capabilities and expertise with respect to achieving the goals of this program. The applications should take into account the technical evaluation criteria found in Section V.1. Applications shall be prepared in English. Applications in any other language shall be treated as non-responsive and eliminated from further consideration.

The following general guidance is applicable to the submission of the applications under this RFA.

1. Applicants: It is USAID policy not to pay profit of any nature under assistance agreements. Reasonable, allocable and allowable expenses, both direct and indirect, which are related to the agreement program and are in accordance with applicable cost standards (e.g., OMB Circular A-21), may be paid under the agreement contemplated by this RFA.

2. Responsiveness: Applicants should submit an application directly responsive to the terms, conditions, specifications and clauses of this RFA. Applications not conforming to this RFA may be categorized as non-responsive and eliminated from further consideration.

3. Language: It is USAID policy that English shall be the official language of all awards documents. As a result, it is required that the applications be in English.

4. Copies: Applicants must submit applications in BOTH electronic and hard copy format (original and two copies). Electronic applications should be submitted to the following address: rvcp@usaid.gov or apply at the www.grants.gov site. Technical applications must not make reference to specific costs or detailed pricing data. Applicants should retain for their records one copy of the application and all enclosures that accompany their application. Applications should make sure that the information provided in both hard and soft copies is identical.

Hard copies should be submitted to:

Ms. Alejandra Garcia
Acquisition Specialist
USAID/Guatemala
Km 6.5 Final Blvd. Los Próceres
Santa Catarina Pinula, Guatemala

Hard copies should be marked as follows: "RFA-520-11-000003".

5. Electronic mail: All electronic files containing Technical and Cost Applications must be clearly marked on the subject line with the following words "RFA-520-11-000003". Submit applications electronically (email) in compliance with the following conditions:

- The USAID email gateway accepts messages whose total size with attachments is 15 Mb (no zipped or compressed files);
- Email applications must be submitted to rvcp@usaid.gov, the subject line of the email must contain the RFA number "RFA-520-11-000003". ;
- Acceptable native file formats for all documents submitted are Microsoft Office Suite (Office 2003 or greater) applications (.DOC, .XLS) or Adobe Acrobat (.PDF);
- Time of receipt of the email is the USAID email gateway time-stamp of the message header;

The Federal grant process is now web enabled, allowing for applications to be received on-line. USAID bears no responsibility for data errors resulting from transmission or conversion processes associated with electronic submissions.

6. Point of Contact – Applications addressed to Alejandra Garcia Acquisition Specialist in the address above are due by 10:00 a.m. (Guatemala time) on **October 3**, 2011.

7. Delivery: Telegraphic or faxed applications are not authorized for this RFA and will not be accepted. Hard copy and e-mail submissions are acceptable. It is important to note that graphics, charts, tables and fancy formatting are often garbled during e-mail transmission and care should be exercised to ensure that the product we receive is adequate for evaluation. In that regard, USAID is not responsible for applications that cannot be accessed through USAID standard e-mail systems or word processing software.

8. Start Up: USAID anticipates that the successful recipient of the Agreement will begin activities immediately after signing the Agreement. The Agreement will provide support for five years from the date of the Agreement signature. All program activities are expected to be completed within that period.

9. Unnecessarily Elaborate Applications: Unnecessarily elaborated brochures or other presentations beyond those sufficient to present a complete and effective

application in response to this RFA are not desired and may be construed as an indication of the applicant's lack of cost consciousness. Elaborate artwork, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor wanted.

10. Authority to Obligate the Government: The Agreement Officer is the only individual who may legally commit the U.S. Government to the expenditure of public funds. No costs chargeable to the proposed agreement may be incurred before receipt of either an agreement signed by the Agreement Officer or a specific, written authorization from the Agreement Officer.

IV.5) TECHNICAL APPLICATION INSTRUCTIONS

Although no specific technical application format is mandated, the technical applications should take into account the guidance below.

(a) The body of the technical application **shall not exceed 30 pages**, excluding annexes, that describes an implementation plan and programming approach that outlines how to achieve the results stated in this RFA. Particular attention should be given to the plan's proposal to sustain program activities with local counterparts upon phase out. Applicants may include Annexes not to exceed a total of 25 additional pages, excluding resumes/curriculum vitae of proposed personnel.

(b) The written Technical Application shall be written in English. Applicants shall use only 8.5 inch by 11 inch (210mm by 297mm) paper. Number each page consecutively. Technical Applications should be single-spaced, have a font size of Times New Roman 12 and have one-inch margins. **Technical Applications submitted beyond 30 pages will not be evaluated.**

Note: A page in the technical application that contains a table, chart, graph, etc., not otherwise excluded below, is subject to the 30 page limitation.

Not included in this page limitation are the following:

- Table of Contents;
- Dividers-
- Appendix attachments which contain biographical information (i.e., resumes (CVs) and other supporting documentation provided by the Applicant) for proposed candidates;
- Charts, such as Management Structure Organizational Chart(s)
- All critical information from appendices should be summarized in the technical application.

(c) Executive Summary. The Executive Summary will summarize the technical approach, the qualifications and experience of key personnel, the management approach, and relevant past performance. This summary is part of the 30 pages limit.

(d) Technical Approach and Strategy. The technical application shall address the following:

1. Technical Approach

Applicants should describe in detail their technical approach, the proposed methodology for how the project will achieve expected results and carry out proposed activities by Component. It must demonstrate how to advance USG's Feed the Future (FTF) Initiative goal to "sustainably reduce global poverty and hunger." The USAID/Guatemala FTF program will focus on three key areas: (a) market-led agricultural development; (b) prevention and treatment of under-nutrition; and (c) improvements to humanitarian food

assistance and social safety nets.

The goal of Guatemala's Rural Value Chains Project (RVCP) is to increase sustainable market-led growth in rural areas as a means of sustainably reducing rural poverty and chronic malnutrition. The overall objective of RVCP is to expand rural household participation in selected value chains to increase household incomes. Expected increases in household income will improve household access to food which, coupled with complementary nutrition-related interventions, will help ameliorate food insecurity and reduce chronic under-nutrition.

The Applicant will emphasize the application of alliance principles to leverage private investment, and financing, and encourage public-private implementation partnerships.

The technical approach needs to fully respond the program description and should provide the following information in succinct yet comprehensive manner:

- A brief description of the overall strategy to improve value chain competitiveness, expanding value chain participation, increasing food crop productivity and utilization and the application of creativity and innovation in the approach;
- A description of the proposed approach to expand markets and trade through the implementation of the Private Aggregator model and promoting and building commercial alliances and business partnerships; and
- Application of the five common implementation aspects of the FTF initiative that link value chains with improved nutrition and dietary diversity, change food consumption behavior and encourage dietary diversity, maximize sustainability by working with municipal and community leaders, leverage Private Sector Investments and coordinate with other USAID programs like health and nutrition and P.L. 480 Title II Food Security Program.

2. Management and Staffing Plan

USAID expects that the Applicant will maintain open, timely and effective communications with USAID, resulting in an implementation partnership that proactively addresses potential problems with flexible, workable solutions.

The Applicant will submit a high quality overall responsive and comprehensive management strategy that highlights the Applicant's management plan and staffing/recruitment. The following elements will be considered:

- Extent to which the Applicant, and the applicant's selection and proposed use of implementing partners, demonstrates that the proposed organizational and operational structure and staffing incorporates the mix of requisite skills and relevant experience to achieve project results;
- The clarity and strength of the staffing and organization plan to achieve results, including specific arrangements for interacting with agribusiness enterprises, farmer associations and cooperatives, small and medium service enterprises, private investors, NGOs, the GOG and other donors (applicants may choose to include an organizational chart to describe graphically responsibilities, roles and relationships among partner organizations including the Applicant's ability to develop clear work plans, evaluation, monitoring and learning plans, performance management plans,

practical indicators and effective target setting, and development communications strategies and activities.

Key Personnel

The Applicants shall discuss appropriateness of academic backgrounds of the proposed key personnel, their work experience related to the RFA components and experience in the national or international arenas. Specific requirements to be taken into consideration for key staff include:

Chief Of Party

The Chief of Party must have no less than eight years of experience in a managerial position in the private sector in Guatemala or in Latin America, with five years experience in agricultural export-related experience especially value chain competitiveness, agribusiness management and private sector development. S/he must have a Masters Degree in Business Administration, Marketing, Agriculture, or related fields. S/he should also have demonstrated experience as a manager of market-led economic development projects and in management of large interdisciplinary teams.. The Chief of Party must demonstrate skills on problem solving, collaboration, creativity and willingness to innovate, management skills and history of productive involvement with a wide range and levels of organizations (government, private sector, NGOs, research institutions). S/he must be proficient in Spanish and English.

Rural Development Specialist

The Rural Development Specialist must have no less than five years of experience in the horticulture and coffee sectors. A Master's Degree in Agriculture is desired. S/he should have demonstrated technical expertise, ample field of experience and relevant technical background in rural development topics. The Rural Development Specialist must demonstrate the ability to rapidly develop and consolidate excellent and independent relationships with private sector and other technical partners. S/he must be proficient in English and Spanish.

Monitoring and Evaluation Specialist

The Monitoring and Evaluation Specialist must have a minimum of five years working in similar activities. S/he must have demonstrated abilities and experience in monitoring and evaluation analysis and reporting with international organizations. A university degree is required. S/he must possess excellent written and speaking English and Spanish skills.

Note: On qualification and experience of proposed personnel, the Applicant is required to present resumes for proposed staff and ensure that the proposed personnel will in fact be available to staff the project should the Applicant be selected for award. Failure to provide such assurances and letters of commitment may disqualify the Applicant from being considered for award. Failure of the Applicant selected for award to provide the proposed personnel may result in disqualifying the winner from receiving an award.

USAID reserves the right to request those Applicants determined to be within the competitive range for award to make their proposed key personnel candidates and other representatives available for interviews and oral discussions in Guatemala City.

Interviews may be by phone since USAID will not pay for costs associated with these interviews.

The Applicant shall propose an appropriate mix of local talent and expertise to implement the Cooperative Agreement and utilize non-Guatemala expertise only when skills or experience in specific project areas are lacking in Guatemala. The Applicant should be sensitive to the need for cultural and ethnic awareness and appreciation in its skill mix when proposing personnel. The Applicant shall provide a biographical sketch and position description for the proposed staff. The biographical sketch and position description, combined, must not exceed one page for each proposed professional staff. The position descriptions shall reflect a clear understanding of the technical skills necessary to achieve the results specified in the Application. Resumes/curriculum vitae may not exceed two pages in length per individual; this information should be included as an attachment to the technical application.

If the Applicant proposes a partnership, a series of partnerships or a consortium of local and/or international partners, a signed letter agreeing to the relationship shall be submitted as annex to the Technical Application. Additionally, Guatemalan Non-Governmental organizations, must submit a written evidence of the partner's legal registration as a Guatemalan NGO.

3. Past Performance

Applicants will provide past performance information related to the specific and technical nature of the Program Description. The Applicant must provide performance information for itself and each major partner, sub-contractor, and sub-grantee expected to play a substantive role in implementing the Program Description. Applicants are strongly encouraged to provide examples of significant impact achieved in implementing past projects.

The following elements should be addressed and will be considered for evaluation and institutional capability:

- Demonstrated recent and relevant technical and field experience implementing rural economic growth programs of similar magnitude and complexity with respect to results achievement,
- Demonstrated record of Customer satisfaction, including satisfactory business relationship with clients, coordination among partners, and prompt and satisfactory identification and correction of problems as they arose.

Applicants are requested to explicitly state their prior experience, proven capacity or strategy to administer, manage and account for resources under this cooperative agreement to ensure effective utilization of USG appropriated funds, either through their own institution or through partnership with other entities. If USAID determines that demonstrated capacity can be improved (or should be improved) USAID may request/instruct that a portion of the planned program resources to be awarded under the grant be utilized to strengthen financial administrative capability or utilize their resources to hire outside capacity to ensure effective management, accounting and reporting of program funds.

The Applicant must provide information on past performance in accordance with the

table below. USAID may use performance information obtained from other than the sources identified by the Applicant/subcontractor. USAID will utilize existing databases of contractor performance information and solicit additional information from the references provided herein and contact the individual(s) indicated as well as others. If the performance information contains negative information on which the Applicant has not previously been given an opportunity to comment, USAID will provide the Applicant an opportunity to comment on it prior to its consideration in the evaluation.

Program Description summary	Primary location of work	Term of performance	Dollar Value	Award type & Number	Organization / Contracting Entity/TechnicalOfficer	e-mail address and Tel. No.

NOTE: USAID relies on the prime organization’s review of partner/subcontractor institutions. However, if deemed necessary to ensure prudent use of USG funds, USAID may conduct its own past performance review of proposed partners/subcontractor institutions.

IV.6) COST/BUSINESS APPLICATION FORMAT

The Applicant must submit a detailed budget and budget narrative that support its proposed cost estimates. Cost applications will be evaluated based on cost fairness, cost realism, completeness, and reasonableness. Cost realism is defined as the Applicant’s ability to project costs which are realistic for the work to be performed; reflect a clear understanding of the requirements; and are consistent with the Applicant’s technical capacity.

The Cost/Business Application should be prepared following the guidance provided below. All information discussed below should be included in the application in the manner and format described below.

1. Separateness: The Cost/Business application must be completely separate from the applicant's technical application. The application must be submitted using SF 424 and SF 424A “Application for Federal Assistance”.

2. Cost Information Submission: The cost information submitted must include three distinct parts: a) the SF 424; b) the budget; and c) budget notes.

a. SF 424

The cost application should be for a period of five years using the budget format shown in the SF 424A. <http://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf>

b. Budget

The information to be presented under the Cost/Business Application must be presented per cost category by year and with a summary total for all five years.

Year 1: July 2012 – June 2013
Year 2: July 2013 – June 2014
Year 3: July 2014 – June 2015
Year 4: July 2015 – June 2016
Year 5: July 2016 – June 2017

c. Budget Notes

To support the costs proposed, please provide detailed budget notes/narrative for all costs explaining how all costs were derived. The combination of the cost data and breakdowns specified above and the cost notes must be sufficient to allow a determination whether the costs estimated are reasonable and realistic. The following section provides guidance on issues involving specific types of costs.

i) Salary and Wages – Propose direct salaries and wages in accordance with applicant's current (as of application submittal) personnel policies.

It is USAID policy that Cooperating Country Nationals (CCN'S) and Third Country Nationals (TCN's), who are hired abroad for work in a cooperating country under USAID-direct agreements, generally be extended the same benefits, and be subject to the same restrictions as TCN's and CCN's employed as direct hires by the USAID Mission. Compensation, including merit or promotion increases paid to TCN's and CCN's may not, without the approval of the Mission Director or the Assistant Administrator having program responsibility for the project, exceed the prevailing compensation paid to personnel performing comparable work in the cooperating country as determined by the USAID Mission. The compensation of such TCN and CCN employees shall be paid in the currency of the cooperating country. Pursuant to the most recent local compensation plan, dated June 6, 2010, the following represent the minimum and maximum annual basic compensation paid for different professional CCN levels:

Professional level	Minimum annual basic rate	Maximum annual basic rate
Clerical staff	Q34,703	Q147,407
Administrative staff	Q133,375	Q301,125
Professional [low level]	Q230,914	Q357,922
Professional [mid level]	Q310,769	Q481,697
Professional [high level]	Q354,093	Q548,841

ii) Fringe Benefits - If the applicant has a fringe benefit rate that has been approved by an agency of the Government, such rate should be used and evidence of its approval should be provided. If a fringe benefit rate has not been so approved, the application should include a detailed breakdown comprised of all items of fringe benefits and the costs of each, expressed in dollars and as a percentage of salaries.

iii) Travel and Transportation - The application should indicate the number of trips, domestic and international, and the estimated costs per trip. Specify the origin and

destination for each proposed trip, duration of travel, and number of individuals traveling. Per diem should be based on the applicant's normal and current travel policies (applicants may choose to refer to the Federal Standardized Travel Regulations for cost estimates).

iv) Equipment – Specify all equipment to be purchased, including the type of equipment, the manufacturer, the unit cost, the number of units to be purchased and the expected geographic source.

v) Materials and Supplies – Specify all materials and supplies expected to be purchased, including type, unit cost and units.

vi) Communications – Specific information regarding the type of communication cost at issue (i.e. mail, telephone, cellular phones, internet etc.) must be included in order to allow an assessment of the realism and reasonableness of these types of costs.

vii) Subcontracts/Consultants – Information sufficient to determine the reasonableness of the cost of each specific subcontract and consultant expected to be hired must be included. The level of effort for short-term consultants should not exceed 260 days for workweek. Similar information should be provided for all consultants as is provided under the category for personnel.

viii) Allowances – Allowances should be broken down by specific type and by person. Allowances should be in accordance with the applicant's policies and the applicable regulations and policies.

ix) Direct Facilities Costs – Specific information regarding the cost of any facilities needed to perform program activities. The information provided should include the unit cost (rent), the time-period the facilities are needed and the number of facilities. Only facilities that directly benefit the program activities should be included in this category; all other facility costs should be included in the indirect cost category.

x) Other Direct Costs - This includes report preparation costs, passports and visas fees, medical exams and inoculations, insurance (other than insurance included in the applicant's fringe benefits, as well as any other miscellaneous costs which directly benefit the program proposed by the applicant). The narrative should provide a breakdown and support for all other direct costs. If seminars and conferences are included, the applicant should indicate the subject, venue and duration of proposed conferences and seminars, and their relationship to the objectives of the program, along with estimates of costs.

xi) Security: Applicants should include vehicles, labor for guard forces, barricades, security equipment and communications as well as other miscellaneous costs that directly benefit the program.

xii) Indirect Costs - The applicant should support the proposed indirect cost rate with a letter from a cognizant U.S. Government audit agency or with sufficient information for USAID to determine the reasonableness of any such cost proposed to be associated with this agreement. (For example, a breakdown of labor bases and overhead pools, the method of determining the direct versus the indirect costs, a description of all costs in

the pools, etc.).

Non-US organizations without an authorized Negotiated Indirect Cost Rate Agreement (NICRA) should charge the administrative/management costs as direct costs.

xiii) Rules on Source and Origin for Goods and Services - Goods and services provided by the Recipients under this USAID-financed award are expected to be subject to the 000 Geographic Code. Please refer to ADS 310 and 22CFR228 for more information on this subject.

3. Cost Sharing-Leverage: Applicants should treat USAID/Guatemala funding as an incentive to leverage funds from alliance partners which in combination can be used to build the foundation for sustained rural economic growth. The Applicant and its alliance partners are expected to provide leverage to help establish sustainable service delivery mechanisms to rural farm and off-farm enterprises. Leverage, defined as financial and in-kind contributions/investments which enable the achievement of substantial results, could include resources from joint ventures and commercial partnerships among others. However, it should not include sales, sales contracts, or purchase agreements. Within these parameters, Applicants are expected to quantify the leverage which will be provided in terms of cash and in-kind contributions.

In addition to leverage provided by partner resources, USAID expects the Applicants, as recipients, to contribute at least 15% in cost sharing to implement program activities and achieve expected results.

4. Management Costs: Applicants should minimize their administrative and support costs for managing the project in order to maximize the funds available for project activities.

5. Teaming: If the applicant is a group of organizations that has actually formed a separate entity – i.e. a joint venture -- for the purposes of this application, then the Cost/Business application must include a copy of the documents that set forth the legal relationship between the partner organizations. If no joint venture is involved, the Cost/Business Application should include a complete discussion of the relationship between the applicant and its partner organizations, how work under the program will be allocated, how work will be organized and managed and copies of all agreements between the partner organizations.

In all cases, the cost information provided in part 2.b of this subsection should indicate the amounts committed to each member of the team. The Budget notes described in part 2.c of this subsection should discuss which team member is bearing a particular cost where appropriate and justify and explain the cost in question.

6. Certifications: Certifications included in RFA Section IV.3 must be included with the cost proposal.

7. Financial Resources: The Cost/Business Application should include information on the applicant's financial status and management.

(a) Audited financial statements for the past three years,

(b) Organization chart, by-laws, constitution, and articles of incorporation, if applicable,

(c) If the applicant has made a certification to USAID that its personnel, procurement and travel policies are compliant with applicable OMB circular and other applicable USAID and Federal regulations, a copy of the certification should be included with the application. If the certification has not been made to USAID/Washington, the applicant should submit a copy of its personnel (especially regarding salary and wage scales, merit increases, promotions, leave, differentials, etc.), travel and procurement policies, and indicate whether personnel and travel policies and procedures have been reviewed and approved by any agency of the Federal Government. If so, provide the name, address, and phone number of the cognizant reviewing official.

(d) If applicable, approval of the organization's accounting system by a U. S. Government agency including the name, addresses, and telephone number of the cognizant auditor.

Submit similar information for all partner organizations.

8. Responsibility: The application should include information that substantiates that the applicant:

(a) Has adequate financial resources or the ability to obtain such resources as required during the performance of the Agreement.

(b) Has the ability to comply with the Agreement conditions, taking into account all existing and currently prospective commitments of the applicant, non-governmental and governmental.

(c) Has a satisfactory record of performance. In the absence of evidence to the contrary or circumstances properly beyond the control of the applicant, applicants who are or have been deficient in current or recent performance (when the number of grants, contracts, and cooperative agreements, and the extent of any deficiency of each, are considered) shall be presumed to be unable to meet this requirement. Past unsatisfactory performance will ordinarily be sufficient to justify a determination of non-responsibility, unless there is clear evidence of subsequent satisfactory performance. The Agreement Officer will collect and evaluate data on past performance of applicants.

(d) Has a satisfactory record of integrity and business ethics.

(e) Is otherwise qualified and eligible to receive a cooperative agreement under applicable laws and regulations (e.g., EEO).

Applicant may submit any additional evidence of responsibility considered necessary in order for the Agreement Officer to make a determination of responsibility. Please note that a positive responsibility determination is a requirement for award, and all organization shall be subject to a pre-award survey to verify the information provided and substantiate the determination.

Submit similar information for all partner organizations at the prime level.

IV.6) SUBMISSION DEADLINES

Applications shall be due at 10:00 a.m. Guatemala Time on **October 3, 2011**. USAID will determine that any applications that are not received by the Agreement Officer by the time and date indicated will be late. Because making an award is critical to USG foreign policy goals, time is important and late application(s) may be accepted, at the sole discretion of the Agreement Officer.

[END OF SECTION IV]

SECTION V – APPLICATION REVIEW INFORMATION

V.1) EVALUATION CRITERIA

The criteria presented below have been tailored to the requirements of this particular RFA. Applicants should note that these criteria serve to: (a) identify the significant matters which applicants should address in their applications, and (b) set the standard against which all applications will be evaluated.

The technical applications will be evaluated in accordance with the Technical Evaluation Criteria set forth below. Thereafter, the cost application of all applicants submitting a technically acceptable application will be evaluated for general reasonableness, allowability, and allocability. To the extent that they are necessary (if award is made based on initial applications), negotiations may then be conducted with all applicants whose application, after discussion and negotiation, have the best chance of being selected for award. Awards will be made to responsible applicants whose applications offer the greatest value, cost and other factors considered. The government reserves the right to make award without discussions.

A review panel established under the direction of the Agreement Officer will evaluate applications. The review panel and the Agreement Officer will use “Best Value” criteria to determine the application most advantageous to the U.S. Government. **All evaluation factors other than cost or price, when combined, are significantly more important than cost or price.** The award shall be made to the responsive and responsible applicant whose combined technical and cost factor offer the best value to the U.S. Government.

All applicants who meet the eligibility and program requirements and conform to the application preparation and submission instructions will be reviewed and scored by a panel of USAID/Guatemala reviewers in strict conformity with the evaluation criteria set forth in this section.

Technical applications will be evaluated on the basis of the following criteria which are listed in descending order of importance.

1. TECHNICAL APPROACH

Applicants will submit a comprehensive articulate plan describing their technical approach to project implementation and management that takes into consideration the Guatemalan context, food security challenges, activities of other donors, and past relevant experience. The technical approach should incorporate, integrate and apply the building sustainable local institutional capacity and addressing development challenges relating to food security and nutrition, including the Feed the Future and Global Health Initiatives, rural development, trade capacity and sector development and the environment.

The technical approach should provide the following information in a succinct yet comprehensive manner:

- A brief description of the overall strategy to improve value chain competitiveness, expanding value chain participation, increasing food crop productivity and utilization and the application of creativity and innovation in the approach;
- A description of the proposed approach to expand markets and trade through the implementation of the Private Aggregator model and promoting and building commercial alliances and business partnerships; and application of the five common implementation aspects of the FTF initiative that link value chains with improved nutrition and dietary diversity, change food consumption behavior and encourage dietary diversity, maximize sustainability by working with municipal and community leaders, leverage Private Sector Investments and coordinate with other USAID programs like health and nutrition and P.L. 480 Title II Food Security Program.

2. MANAGEMENT AND STAFFING PLAN:

The management and staffing plan should be responsive and comprehensive, including staffing/recruiting plans, and ability to assemble technical assistance teams. This should include a clear description of roles and responsibilities within the local office, organizational chart, and approach and timeframe for mobilization. Applicants should describe the ability to use partnerships and alliances, with emphasis on local implementing partners to ensure sustainability and human and institutional development of local partners, they will use or propose, as well as cost containment approaches that minimizes management costs, reserves the highest possible amount for the project, and describes the value added of proposed potential alliances. Long term staff combined with high level short term technical assistance consultants and a rationale for the use and composition of professional local staff.

The Applicant should describe how it will manage project oversight by clarifying the roles and responsibilities of actual and anticipated partners, sub-grantees, and sub-contractors.¹⁸

The following elements will be considered:

- Extent to which the Applicant, and the applicant's selection and proposed use of implementing partners, demonstrates that the proposed organizational and operational structure and staffing incorporates the mix of requisite skills and relevant experience to achieve project results;
- The clarity and strength of the staffing and organization plan to achieve results, including specific arrangements for interacting with agribusiness enterprises, farmer associations and cooperatives, small and medium service enterprises, private

¹⁸ If the Applicant intends to develop broad institutional partnerships, alliances or sub-agreements as part of implementing the Agreement Program Description, the application should clearly identify and describe the roles and responsibilities of each entity. The application must include Letters of Commitment from all such proposed partners/sub-contractors. The Applicant must discuss the nature of organizational linkages between the prime awardee and any sub-contractor, partner, and joint venture entity. This will include a discussion of roles and responsibilities, relationships, lines of authority and accountability and mechanisms for utilizing and sharing resources to achieve results.

investors, NGOs, the GOG and other donors (applicants may choose to include an organizational chart to describe graphically responsibilities, roles and relationships among partner organizations including the Applicant's ability to develop clear work plans, evaluation, monitoring and learning plans, performance management plans, practical indicators and effective target setting, and development communications strategies and activities.

KEY PERSONNEL:

Key personnel will be evaluated based on their sector-specific qualifications, professional competence, relevant academic background, demonstrated success in managing and implementing technical programs, and their knowledge in relevant technical areas. The following will be considered in evaluation key personnel:

Chief of Party:

- A minimum of eight years of experience in a managerial position in the Guatemala private sector (or elsewhere in Latin America) with five years of experience with agricultural export-related experience especially value chain competitiveness, agribusiness management and private sector development.
- Master's Degree in business administration, marketing, agriculture, or related fields is desired.
- Demonstrated experience in management of market-led economic development projects and in management of large inter-disciplinary teams.
- Demonstrated problem solving skills, collaboration experience, creativity and willingness to innovate;
- Demonstrated management skills and history of productive involvement with a wide range and levels of organizations (government, private sector, NGOs, research institutions); and
- Must be proficient in Spanish and English.

Rural Development Specialist

- A minimum of five years in Guatemala rural development with ample experience in the horticulture and coffee sectors
- Master's degree in agriculture is desired
- Demonstrated technical expertise, ample field of experience and relevant technical background in rural development topics.
- Demonstrated ability to rapidly develop and consolidate excellent and independent relationships with private sector and other technical partners
- Must be proficient in Spanish and English.

Monitoring and Evaluation Specialist

- A minimum of five years working in similar activities is required
- Demonstrated abilities and experience in monitoring and evaluation analysis and reporting with international organizationsA university degree is required
- Excellent written and speaking English and Spanish skills are required

3. PAST PERFORMANCE AND INSTITUTIONAL CAPACITY:

Applicants will provide past performance information related to the specific and technical nature of the Program Description. The Applicant must provide performance information for itself and each major partner, sub-contractor, and sub-grantee expected to play a substantive role in implementing the Program Description. Applicants are strongly encouraged to provide examples of significant impact achieved in implementing past projects.

The following elements should be addressed and will be considered for evaluation and institutional capability:

- Demonstrated recent and relevant technical and field experience implementing rural economic growth programs of similar magnitude and complexity with respect to results achievement,
- Demonstrated record of Customer satisfaction, including satisfactory business relationship with clients, coordination among partners, and prompt and satisfactory identification and correction of problems as they arose.

Special Note: Applicants are requested to explicitly state their prior experience, proven capacity or strategy to administer, manage and account for resources under this cooperative agreement to ensure effective utilization of USG appropriated funds, either through their own institution or through partnership with other entities. If USAID determines that demonstrated capacity can be improved (or should be improved) USAID may request/instruct that a portion of the planned program resources to be awarded under the cooperative agreement be utilized to strengthen financial administrative capability or utilize their resources to hire outside capacity to ensure effective management, accounting and reporting of program funds.

4. Cost

Cost applications will be evaluated based on cost fairness, cost realism, completeness, and reasonableness. Cost realism is defined as the Applicant's ability to project costs which are realistic for the work to be performed; reflect a clear understanding of the requirements; and are consistent with the Applicant's technical capacity.

Cost Sharing-Leverage: Applicants should treat USAID/Guatemala funding as an incentive to leverage funds from alliance partners which in combination can be used to build the foundation for sustained rural economic growth. The Applicant and its alliance partners are expected to provide leverage to help establish sustainable service delivery mechanisms to rural farm and off-farm enterprises. Leverage, defined as financial and in-kind contributions/investments which enable the achievement of substantial results, could include resources from joint ventures and commercial partnerships among others. However, it should not include sales, sales contracts, or purchase agreements. Within these parameters, Applicants are expected to quantify the leverage which will be provided in terms of cash and in-kind contributions.

In addition to leverage provided by partner resources, USAID expects the Applicants, as recipients, to contribute at least 15% in cost sharing to implement program activities and achieve expected results.

V.2) EVALUATION SYSTEM

The following adjectival scoring system will be used by the technical evaluation committee to assess each of the technical criteria and the technical applications as a whole:

“Outstanding”	O Very significantly exceeds most or all solicitation requirements. Response exceeds a “Better” rating. The Offeror has clearly demonstrated an understanding of all aspects of the requirements to the extent that timely and highest quality performance is anticipated.
“Better”	B Fully meets all solicitation requirements and significantly exceeds many of the solicitation requirements. Response exceeds an “Acceptable” rating. The areas in which the Offeror exceeds the requirements are anticipated to result in a high level of efficiency or productivity or quality.
“Acceptable”	A Meets all solicitation requirements. Complete, comprehensive, and exemplifies an understanding of the scope and depth of the task requirements as well as the Offeror’s understanding of the Government’s requirements.
“Marginal”	M Less than “Acceptable.” There are some deficiencies in the technical proposal. However, given the opportunity for discussions, the technical proposal has a reasonable chance of becoming at least “Acceptable.” (Areas of a technical proposal which remain to be “Marginal” after “Final Application Revision” offers shall not be subject to further discussion or revision.) If award is made on the initial offers, there will not be an opportunity for discussions nor a chance to become at least “Acceptable.”
“Unacceptable”	U Technical application has many deficiencies and/or gross omissions: Failure to understand much of the scope of work necessary to perform the required tasks; failure to provide a reasonable, logical approach to fulfilling much of the Government’s requirements; failure to meet many personnel requirements of the solicitation. (When applying this adjective to the technical proposal as a whole, the technical proposal must be so unacceptable in one or more areas that it would have to be significantly revised to attempt to make it other than acceptable.)

V.3) BRANDING STRATEGY AND MARKING PLAN

Pursuant to ADS 303.3.6.3.f and ADS 320.3.1.2, the apparently successful applicant will be requested to submit a Branding Strategy and Marking Plan that will have to be successfully negotiated before a cooperative agreement will be awarded. These plans shall be prepared in accordance with the guidance in ADS 320.3.1.2, 22 CFR 226.91 and the references therein. Please note that the Branding Strategy and Marking Plan shall not be included with the original application but shall be provided only after a written request of the Agreement Officer.

The AO evaluates and approves the Branding Strategy and a Marking Plan (including any request for exceptions) of the apparently successful applicant, consistent with the provisions “Branding Strategy,” “Marking Plan,” and “Marking of USAID-funded Assistance Awards” contained in **AAPD 05-11, 22 CFR 226.91, and ADS 320.**

The attachment 1 to this RFA includes a suggested format for the Marking Plan.

V.4) AWARD:

The Agreement Officer's decision about the funding of an award is final and not subject to review. Any information that may impact the Agreement Officer's decision shall be directed to the Agreement Officer.

Authority to obligate the Government: the Agreement Officer is the only individual who may legally commit the U.S. Government to the expenditure of public funds. No costs chargeable to the proposed Agreement may be incurred before receipt of either an Agreement signed by the Agreement Officer or a specific, written authorization from the Agreement Officer.

[END OF SECTION V]

SECTION VI – AWARD AND ADMINISTRATION INFORMATION

VI.1) RESPONSIBILITY DETERMINATION AND PRE-AWARD SURVEY

Before making any award, the USAID Agreement Officer must be fully satisfied that the applicant has the capacity to adequately perform on the award in accordance with principles established by USAID and the Office of Management and Budget (OMB).

A positive responsibility determination means that the applicant possesses or has the ability to obtain the necessary management competence to plan and carry out the assistance program to be funded, and that the applicant will practice mutually agreed upon methods of accountability for funds and other assets provided by USAID.

For organizations that are new to working with USAID or for organizations with outstanding audit findings, USAID may perform a pre-award survey to assess the applicant's management and financial capabilities. If notified by USAID that a pre-award survey is necessary, applicants must prepare, in advance, the required information and documents. Please note that a pre-award survey does not commit USAID to make an award

VI.2) AWARD NOTIFICATION

Notice of Award signed by the Agreement Officer is the authorizing document, which shall be transmitted to the Recipient for countersignature to the authorized agent of the successful organization electronically.

Request for debriefings: USAID will follow the procedures included in ADS 303.3.7.2 to receive and accept requests for debriefings from unsuccessful applicants.

VI.3) ROLES AND RESPONSIBILITIES

The applicant shall be responsible to USAID/Guatemala for all matters related to the execution of the agreement. Specifically, the recipient shall report to the USAID Agreement's Officer Technical Representative (AOTR) located within the Economic Growth Office (EGO).

VI.4) REPORTING

The following reports will be due during RVCP implementation as indicated below:

1. Financial Reporting

(1) The recipient must submit the Federal Financial Form (SF-425) on a quarterly basis via electronic format to the Agreement Officer's Technical Representative (AOTR) and the Agreement Officer.

Electronic copies of the SF-425 can be found at http://www.whitehouse.gov/omb/grants/standard_forms/ff_report.pdf and

<http://www.forms.gov/bgfPortal/docDetails.do?dId=15149>

Line item instructions for completing the SF-425 can be found at:

http://www.whitehouse.gov/omb/grants/standard_forms/ffr_instructions.pdf

Financial reports will also show the total amount of funds leveraged and executed, the amount of cash funds leveraged and executed, and the amount of in-kind resources leveraged and executed each quarter and each fiscal year.

2. Program Reporting

The Recipient will be required to submit the following performance reports to the Agreement Officer Technical Representative (AOTR) in hard copy (one original and one copy) and electronically with an Executive Summary in Spanish. The reports should be written in English and Spanish.

A. Annual Work Plan

Within 90 days of award the Recipient will submit for USAID AOTR approval its first Annual Work Plan from the effective date of the Cooperative Agreement. Subsequent workplans will cover the period October 1 of previous year to September 30 of following year.

The Annual Work Plans must include:

- Proposed accomplishments for the fiscal year, and expected progress toward achieving Cooperative Agreements results that are linked to the Performance Monitoring Plan (PMP);
- Timeline for implementation of the year's proposed activities, including target completion dates;
- Information on how activities will be implemented;
- Analysis of possible obstacles hindering achievement of objectives;
- Detailed budget by principal activities and also by line item. The Annual Work Plan must show planned expenditures and actual expenditures to date;
- Activity Fact Sheet or Activity Profile, in Spanish and English, that summarizes pertinent information regarding the C.A. that can be used for preparing media kits and for disseminating to interested stakeholders;
- A description of any information, communication, education, and training materials planned. These materials will be submitted for approval by the AOTR at the design stage prior to printing, reproducing, disseminating or airing. AOTR approval will focus on the materials' technical content, presentation, and compliance with the Branding Strategy and Marking Plan. The Recipient must ensure that all branding and marking specifications laid out in the Branding Strategy and Marking Plan have been followed prior to submitting the material for AOTR approval;
- Proposed activities, including planned local and international training events, expected results;
- Steps to be taken to monitor and ensure compliance with USAID Environmental Procedures, Reg 216.
- A description of the approach that the applicant will use to ensure coordination, collaboration and information sharing with other USG FtF implementing partners such as PL-480, nutrition, municipal governments.

B. Procurement Plan

The Recipient shall submit a Procurement Plan along with the annual Work Plans. The recipient shall comply with Standard provisions “USAID Eligibility Rules for Goods and Services” and “Local procurement” as well as other USAID regulations that may apply for the procurement of goods and services. The Procurement Plan shall contain the following:

- Specifications and the estimated cost of all non-expendable supplies and equipment expected to be purchased under this Agreement;
- An explanation of the intended use of each item; and
- The source and origin of each item.

C. Quarterly Performance Reports

Fifteen (15) days after the end of each quarter, the Recipient will be required to provide quarterly performance reports to describe activities undertaken, alliances established (both number of alliances and amount of non-Federal funds leveraged in cash and in kind) during the quarter, report on progress made toward achieving results, and make necessary adjustments for activities, timelines, etc. that will be undertaken in the next quarter.

The fourth quarterly report shall also serve as the *Annual Performance Report* and shall be submitted on September 30 of each year. Any implementation problems should be discussed in the reports as well as proposed corrective actions and the costs associated with the delay. These reports must include specific sections on: compliance with USAID Environmental Procedures, Reg 216, including environmental mitigation measures monitoring, and specify gender considerations in implementation and performance during the quarter.

As part of each quarterly report, the Recipient shall submit a list of all in country training events performed during the reporting period. This report shall include at a minimum: name of the training program, field of study, relationship to the objectives of this instrument, start and end dates, estimated cost (USAID’s cost and partner’s cost disaggregated by instruction, trainee, and travel) and number of male and female participants. For U.S. and third country training, the Recipient shall follow the guidelines described in ADS 252 and 253 and shall allow at least twelve weeks prior to the begin date of the training program to comply with the requirements therein described. U.S. and third country training information shall also be included in each quarterly report. The Recipient is required to provide quarterly data for the required Performance Indicators. An excel sheet will be provided by the AOTR for standardized reporting. The excel indicator report must be submitted as an annex to the quarterly reports. Regular reporting by the implementing partner to the AOTR will include a section on environmental compliance.

Quarterly reports will include a section that describes what activities or steps have been taken during the quarter to effectively coordinate, collaborate and shared information with other USG FtF implementing partners such as PL-480, nutrition and municipal governments.

The Recipient will be required to submit technical reports, in English to USAID’s Development Experience Clearinghouse (DEC) in either electronic (preferred) or paper form to one of the following: (A) Online: <http://dec.usaid.gov>; or (B) By Mail (for pouch

delivery): DEX Document Submissions, M/CIO/KM/DEC, RRB M.01-010, Washington, DC 20523-6100. The recipient shall include in its quarterly performance report a list of all documents submitted to DEC during the reporting period.

D. Annual Reports

The Recipient will submit Annual Reports to USAID/Guatemala in English and Spanish (3 originals and 1 electronic copy) by September 30 of the year covered. By August 30 of the year covered, the Recipient will be requested to submit preliminary Annual Reports and will be reviewed by USAID/Guatemala as part of the process of reviewing and approving Annual Work Plans. Annual Reports will describe:

- a. the extent to which objectives and targets contained in the Annual Work Plan have been achieved;
- b. highlights of major achievements during the year;
- c. significant implementation problems encountered during the year and progress toward achievement of results;
- d. actions taken to resolve problems;
- e. performance measures, indicators and benchmarks, tied to the Annual Work Plan and the Performance Monitoring Plan targets, for the quarter and the entire previous fiscal year;
- f. include a summary of lessons learned, observations and recommendations that might be relevant to programming, design and implementation of similar or follow-on activities; and
- g. environmental compliance required as indicated in the USAID Environmental Threshold Decision.
- h. What activities or steps have been taken during the year to effectively coordinate, collaborate and share information with other USG FtF implementing partners such as PL-480, nutrition and municipal governments.

The annual report should also consolidate data from the previous quarterly reports in order to present annual totals for the numerical targets.

The annual reports shall include success stories for publication as well as amount and source of cash and in-kind resources leveraged. The annual report should focus on accomplishments, progress and problems toward achievement of results, performance measures, indicators and benchmarks, tied to the Annual Work Plan and the Performance Monitoring Plan targets, for the quarter and the entire previous fiscal year. Starting on year 2012, the final report shall include a summary of lessons learned and recommendations that might be relevant to programming, design and implementation of similar or follow-on activities.

Annual Reports are not to exceed 50 pages in length, including an Executive Summary not to exceed 5 pages in length. An English version of the Executive Summary will also be provided. Additional supporting information may be included in Annexes to the report.

E. Accrual Reports

The 5th day of the last month of each calendar quarter (Jan.-Mar., Apr.-June, July-Sept., Oct.-Dec.), the Recipient will submit to USAID/Guatemala an accrual report containing at

least the following elements:

- 1) total amount obligated;
 - 2) total amount disbursed up to the end of the previous quarter;
 - 3) monthly expenditures and/or expected expenditures for the current quarter;
- and
- 4) remaining unexpended funds.

The report shall be submitted electronically in PDF to the AOTR and other administrative staff as indicated by USAID in a format to be provided by USAID for that purpose.

F. Final Performance Report

A final performance report is required within 90 days of the expiration of the Cooperative Agreement. The final performance report should include a description of the activity, the accomplishments and successes achieved during the Agreement period in terms of the expectations of activity design and changes in the activity environment as well as any shortcomings and/or difficulties encountered; an assessment of the progress towards achievement of the objectives or results, including gender aspects; a summary of performance indicators used and an assessment of their relative usefulness. It also must include a list of all publications, evaluations and media products that were sent to the USAID Development Experience Clearing House during the life of the Agreement. The Recipient will be required to submit technical reports, in English to USAID's Development Experience Clearinghouse (DEC) in either electronic (preferred) or paper form to one of the following: (A) Online: <http://dec.usaid.gov>; or (B) By Mail (for pouch delivery): DEX Document Submissions, M/CIO/KM/DEC, RRB M.01-010, Washington, DC 20523-6100.

3. Website for RVCP

The selected recipient should establish, and operate a public website to provide general information and reporting on program activities. At a minimum the website will provide information under the following general headings: About; News/Events; Program Areas; Reports (to include quarterly and annual reports and all trips, technical and analytical reports prepared by the program), Results and Knowledge Management. Other sections may be added as agreed between the grantee and USAID and should contain a link to the USAID and USAID/Guatemala web pages.

VI.5) VALUE ADDED TAX

See USAID/Guatemala Staff Notice No. 10-09 dated November 16, 2009 and Mission Order 6.6 (Attachment 3), for the most recent guidance on IVA exemption. Value Added Tax (VAT) Exemption Procedures will be provided to the Recipient when available. These exemptions also apply to sub-awardees under this Task Order.

Use of IVA exemption form is authorized only for project related procurement. USAID will support the clearance of official project vehicles. These vehicles will be cleared free of duty and IVA and will be titled to USAID/Guatemala with MI license plates.

VI.6) PARTICIPANT TRAINING

For all training activities financed under this cooperative agreement and conducted either in-country or in the U.S., or in a third country, the contractor must comply with

Automated Directives System (ADS) Chapter 253 – Training for Development and other USAID/Guatemala specific policies and procedures governing the effective, efficient planning, design, and implementation of such training programs.

VI.7) USE OF PROJECT VEHICLES

In accordance with USAID policy, all vehicles shall be used only for the purpose of work concerning project objectives. Use of vehicles acquired under this cooperative agreement for private use is not authorized. At no time shall a project vehicle be used for home-office transportation and all project vehicles shall be parked in a secure area overnight, preferably at field office sites.

Recipient agrees that, in the event any vehicle financed by USAID for use by Recipient in conducting activities under this instrument is registered in the name of the U.S. Government, it will be the responsibility of recipient to indemnify and hold the U.S. Government harmless from any damages or liability assessed against it because of the negligence of recipient or its agents or employees.

The recipient must be responsible to follow USAID/Guatemala requirements to return MI plates of project vehicles as part of the closeout process.

VI.8) RECIPIENT'S STAFF SUPPORT, ADMINISTRATIVE AND LOGISTICS ARRANGEMENTS AND LEGAL REGISTRATION IN THE COOPERATING COUNTRY

In accordance with Standard Provision entitled "Regulations Governing Employees", the Recipient shall be responsible for all administrative support and logistics required to fulfill the requirements of this Agreement. These shall include all travel arrangements, appointment scheduling, secretarial services, report preparations services, printing, and duplicating.

In addition, the recipient is responsible to comply with all applicable local laws regarding fringe benefits for its local employees, local business operations, including but not limited to the registration of its offices in the local country, etc.

VI.9 STANDARD PROVISIONS

The following Standard Provisions will apply to the resulting award:

- **Non-U.S. organizations** - Standard Provisions for Non-U.S., Nongovernmental Recipients - Attachment No. 4

[END OF SECTION VI]

SECTION VII – AGENCY CONTACTS

The Agreement Officer for this Award is:

Agreement Officer
USAID/San Salvador

The A&A Specialist for this Award is:

Ms. Alejandra Garcia
Acquisition Specialist
USAID/Guatemala
Email: rvcp@usaid.gov

SECTION VIII – OTHER INFORMATION

USAID reserves the right to fund any or none of the applications submitted as a result of this Request for Applications (RFA)

VIII.1) BRANDING STRATEGY - ASSISTANCE (December 2005):

(a) Definitions

Branding Strategy means a strategy that is submitted at the specific request of a USAID Agreement Officer by an apparently successful applicant after evaluation of an application for USAID funding, describing how the program, project, or activity is named and positioned, and how it is promoted and communicated to beneficiaries and host country citizens. It identifies all donors and explains how they will be acknowledged.

Apparently, Successful Applicant(s) means the applicant(s) for USAID funding recommended for an award after evaluation, but who has not yet been awarded a grant, cooperative agreement or other assistance award by the Agreement Officer. The Agreement Officer will request that the Apparently Successful Applicants submit a Branding Strategy and Marking Plan. Apparently, Successful Applicant status confers no right and constitutes no USAID commitment to an award.

USAID Identity (Identity) means the official marking for the Agency, comprised of the USAID logo and new brand mark, which clearly communicates that our assistance is from the American people. The USAID Identity is available on the USAID website and is provided without royalty, license, or other fee to recipients of USAID-funded grants or cooperative agreements or other assistance awards or subawards.

(b) Submission. The Apparently Successful Applicant, upon request of the Agreement Officer, will submit and negotiate a Branding Strategy. The Branding Strategy will be included in and made a part of the resulting grant or cooperative agreement. The Branding Strategy will be negotiated within the time that the Agreement Officer specifies. Failure to submit and negotiate a Branding Strategy will make the applicant ineligible for award of a grant or cooperative agreement. The Apparently Successful Applicant must include all estimated costs associated with branding and marking USAID programs, such as plaques, stickers, banners, press events and materials, and the like.

(c) Submission Requirements

At a minimum, the Apparently Successful Applicant's Branding Strategy will address the following:

(1) Positioning

What is the intended name of this program, project, or activity?

Guidelines: USAID prefers to have the USAID Identity included as part of the program or project name, such as a "title sponsor," if possible and appropriate. It is acceptable to

"co-brand" the title with USAID's and the Apparently Successful Applicant's identities. For example: "The USAID and [Apparently Successful Applicant] Health Center."

If it would be inappropriate or is not possible to "brand" the project this way, such as when rehabilitating a structure that already exists or if there are multiple donors, please explain and indicate how you intend to showcase USAID's involvement in publicizing the program or project. For example: School #123, rehabilitated by USAID and [Apparently Successful Applicant]/ [other donors]. Note: the Agency prefers "made possible by (or with) the generous support of the American People" next to the USAID Identity in acknowledging our contribution, instead of the phrase "funded by." USAID prefers local language translations.

Will a program logo be developed and used consistently to identify this program? If yes, please attach a copy of the proposed program logo.

Note: USAID prefers to fund projects that do NOT have a separate logo or identity that competes with the USAID Identity.

(2) Program Communications and Publicity

Who are the primary and secondary audiences for this project or program?

Guidelines: Please include direct beneficiaries and any special target segments or influencers. For Example: Primary audience: schoolgirls age 8-12, Secondary audience: teachers and parents—specifically mothers.

What communications or program materials will be used to explain or market the program to beneficiaries?

Guidelines: These include training materials, posters, pamphlets, Public Service Announcements, billboards, websites, and so forth.

What is the main program message(s)?

Guidelines: For example: "Be tested for HIV-AIDS" or "Have your child inoculated." Please indicate if you also plan to incorporate USAID's primary message – this aid is "from the American people" – into the narrative of program materials. This is optional; however, marking with the USAID Identity is required.

Will the recipient announce and promote publicly this program or project to host country citizens? If yes, what press and promotional activities are planned?

Guidelines: These may include media releases, press conferences, public events, and so forth. Note: incorporating the message, "USAID from the American People", and the USAID Identity is required.

Please provide any additional ideas about how to increase awareness that the American people support this project or program.

Guidelines: One of our goals is to ensure that both beneficiaries and host-country

citizens know that the aid the Agency is providing is "from the American people." Please provide any initial ideas on how to further this goal.

(3) Acknowledgements

Will there be any direct involvement from a host-country government ministry? If yes, please indicate which one or ones. Will the recipient acknowledge the ministry as an additional co-sponsor?

Note: it is perfectly acceptable and often encouraged for USAID to "co-brand" programs with government ministries.

Please indicate if there are any other groups whose logo or identity the recipient will use on program materials and related communications.

Guidelines: Please indicate if they are also a donor or why they will be visibly acknowledged, and if they will receive the same prominence as USAID.

(d) Award Criteria. The Agreement Officer will review the Branding Strategy for adequacy, ensuring that it contains the required information on naming and positioning the USAID-funded program, project, or activity, and promoting and communicating it to cooperating country beneficiaries and citizens. The Agreement Officer also will evaluate this information to ensure that it is consistent with the stated objectives of the award; with the Apparently Successful Applicant's cost data submissions; with the Apparently Successful Applicant's project, activity, or program performance plan; and with the regulatory requirements set out in 22 CFR 226.91. The Agreement Officer may obtain advice and recommendations from technical experts while performing the evaluation.

VIII.2) MARKING PLAN – ASSISTANCE (December 2005)

(a) Definitions

Marking Plan means a plan that the Apparently Successful Applicant submits at the specific request of a USAID Agreement Officer after evaluation of an application for USAID funding, detailing the public communications, commodities, and program materials and other items that will visibly bear the USAID Identity. Recipients may request approval of Presumptive Exceptions to marking requirements in the Marking Plan.

Apparently Successful Applicant(s) means the applicant(s) for USAID funding recommended for an award after evaluation, but who has not yet been awarded a grant, cooperative agreement or other assistance award by the Agreement Officer. The Agreement Officer will request that Apparently Successful Applicants submit a Branding Strategy and Marking Plan. Apparently Successful Applicant status confers no right and constitutes no USAID commitment to an award, which the Agreement Officer must still obligate.

USAID Identity (Identity) means the official marking for the Agency, comprised of the USAID logo and new brand mark, which clearly communicates that our assistance is from the American people. The USAID Identity is available on the USAID website and USAID provides it without royalty, license, or other fee to recipients of USAID funded grants, cooperative agreements, or other assistance awards or subawards.

A Presumptive Exception exempts the applicant from the general marking requirements for a particular USAID-funded public communication, commodity, program material or other deliverable, or a category of USAID-funded public communications, commodities, program materials or other deliverables that would otherwise be required to visibly bear the USAID Identity. The Presumptive Exceptions are:

Presumptive Exception (i). USAID marking requirements may not apply if they would compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials, such as election monitoring or ballots, and voter information literature; political party support or public policy advocacy or reform; independent media, such as television and radio broadcasts, newspaper articles and editorials; and public service announcements or public opinion polls and surveys (22 C.F.R. 226.91(h)(1)).

Presumptive Exception (ii). USAID marking requirements may not apply if they would diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent (22 C.F.R. 226.91(h)(2)).

Presumptive Exception (iii). USAID marking requirements may not apply if they would undercut host-country government “ownership” of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications better positioned as “by” or “from” a cooperating country ministry or government official (22 C.F.R. 226.91(h)(3)).

Presumptive Exception (iv). USAID marking requirements may not apply if they would impair the functionality of an item, such as sterilized equipment or spare parts (22 C.F.R. 226.91(h)(4)).

Presumptive Exception (v). USAID marking requirements may not apply if they would incur substantial costs or be impractical, such as items too small or otherwise unsuited for individual marking, such as food in bulk (22 C.F.R. 226.91(h)(5)).

Presumptive Exception (vi). USAID marking requirements may not apply if they would offend local cultural or social norms, or be considered inappropriate on such items as condoms, toilets, bed pans, or similar commodities (22 C.F.R. 226.91(h)(6)).

Presumptive Exception (vii). USAID marking requirements may not apply if they would conflict with international law (22 C.F.R. 226.91(h)(7)).

(b) Submission. The Apparently Successful Applicant, upon the request of the Agreement Officer, will submit and negotiate a Marking Plan that addresses the details of the public communications, commodities, program materials that will visibly bear the USAID Identity. The marking plan will be customized for the particular program, project, or activity under the resultant grant or cooperative agreement. The plan will be included in and made a part of the resulting grant or cooperative agreement. USAID and the Apparently Successful Applicant will negotiate the Marking Plan within the time specified by the Agreement Officer. Failure to submit and negotiate a Marking Plan will make the applicant ineligible for award of a grant or cooperative agreement. The applicant must include an estimate of all costs associated with branding and marking USAID programs,

such as plaques, labels, banners, press events, promotional materials, and so forth in the budget portion of its application. These costs are subject to revision and negotiation with the Agreement Officer upon submission of the Marking Plan and will be incorporated into the Total Estimated Amount of the grant, cooperative agreement or other assistance instrument.

(c) Submission Requirements. The Marking Plan will include the following:

(1) A description of the public communications, commodities, and program materials that the recipient will be produced as a part of the grant or cooperative agreement and which will visibly bear the USAID Identity. These include:

(i) program, project, or activity sites funded by USAID, including visible infrastructure projects or other programs, projects, or activities that are physical in nature;

(ii) technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities and other promotional, informational, media, or communications products funded by USAID;

(iii) events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences, and other public activities; and (iv) all commodities financed by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies and other materials funded by USAID, and their export packaging.

(2) A table specifying:

(i) the program deliverables that the recipient will mark with the USAID Identity,

(ii) the type of marking and what materials the applicant will be used to mark the program deliverables with the USAID Identity, and

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

(3) A table specifying:

(i) what program deliverables will not be marked with the USAID Identity, and

(ii) the rationale for not marking these program deliverables.

(d) Presumptive Exceptions.

(1) The Apparently Successful Applicant may request a Presumptive Exception as part of the overall Marking Plan submission. To request a Presumptive Exception, the Apparently Successful Applicant must identify which Presumptive Exception applies, and state why, in light of the Apparently Successful Applicant's technical proposal and in the context of the program description or program statement in the USAID Request For Application or Annual Program Statement, marking requirements should not be required.

(2) Specific guidelines for addressing each Presumptive Exception are:

(i) For Presumptive Exception (i), identify the USAID Strategic Objective, Interim Result, or program goal furthered by an appearance of neutrality, or state why the program, project, activity, commodity, or communication is 'intrinsically neutral.' Identify, by category or deliverable item, examples of program materials funded under the award for which you are seeking exception 1.

(ii) For Presumptive Exception (ii), state what data, studies, or other deliverables will be produced under the USAID funded award, and explain why the data, studies, or deliverables must be seen as credible.

(iii) For Presumptive Exception (iii), identify the item or media product produced under the USAID funded award, and explain why each item or product, or category of item and product, is better positioned as an item or product produced by the cooperating country government.

(iv) For Presumptive Exception (iv), identify the item or commodity to be marked, or categories of items or commodities, and explain how marking would impair the item's or commodity's functionality.

(v) For Presumptive Exception (v), explain why marking would not be cost-beneficial or practical.

(vi) For Presumptive Exception (vi), identify the relevant cultural or social norm, and explain why marking would violate that norm or otherwise be inappropriate.

(vii) For Presumptive Exception (vii), identify the applicable international law violated by marking.

(3) The Agreement Officer will review the request for adequacy and reasonableness. In consultation with the Cognizant Technical Officer and other agency personnel as necessary, the Agreement Officer will approve or disapprove the requested Presumptive Exception. Approved exceptions will be made part of the approved Marking Plan, and will apply for the term of the award, unless provided otherwise.

(e) Award Criteria: The Agreement Officer will review the Marking Plan for adequacy and reasonableness, ensuring that it contains sufficient detail and information concerning public communications, commodities, and program materials that will visibly bear the USAID Identity. The Agreement Officer will evaluate the plan to ensure that it is consistent with the stated objectives of the award; with the applicant's cost data submissions; with the applicant's actual project, activity, or program performance plan; and with the regulatory requirements of 22 C.F.R. 226.91. The Agreement Officer will approve or disapprove any requested Presumptive Exceptions (see paragraph (d)) on the basis of adequacy and reasonableness. The Agreement Officer may obtain advice and recommendations from technical experts while performing the evaluation.

MARKING PLAN (for illustrative purposes only)

Public Communications Materials Produced *	Type of Branding/Marking			Where (on the material)		When (in Work Plan)
	Verbal	Visual	Textual	Order **	Placement	
	Name of P program Mention in speeches, worlds of thanks, radio/TV spots, press	Identity Identity Sub-brand Disclaimer	Name of P program Articles, success stories, reports, publications.	In relation to logos of other actors, partners, counterparts	Top Left, Front Bottom Left, Front Back cover— Beginning, Middle, End of media spot (TV, radio)	
1. Program Materials (promotional, informational, educational, media products—print, audio, visual, including Websites, press releases, success stories, etc.)						
2. Program Sites (physical in nature, includes visible infrastructure)						
3. Documents, Publications, Studies, Reports, Papers, Technical Assistance						
4. Events (training courses, inaugurations, conferences, fairs, seminars, press conferences, seminars and other public activities)						
5. Commodities and Equipment (computers, cars, food bags, desks, chairs, etc.)						

* Consult ADS 320 and Sections (b) (1-5) under “Marking of Program Deliverables” of the Marking Standard Provision for further description (Attachment 3 of AAPD 05-11).

** USAID prefers to be first in logo line up whenever possible.



Certifications, Assurances, and Other Statements of the Recipient Additional Help for ADS Chapter 303

Revision Date: 06/23/2011
Responsible Office: M/OAA/P
File Name: 303sad_062311

Certifications, Assurances, and Other Statements of the Recipient
Table of Contents

Certifications, Assurances, and Other Statements of the Recipient.....2
Part I – Certifications and Assurances.....2
Part II – Key Individual Certification Narcotics Offenses and Drug Trafficking.....8
Part III – Participant Certification Narcotics Offenses and Drug Trafficking.....9
*Removed former Section IV, Certification of Compliance with the Standard Provisions Entitled
“Condoms” and “Prohibition on the Promotion or Advocacy of the Legalization or Practice of
Prostitution or Sex Trafficking”.....10
Part IV – Survey on Ensuring Equal Opportunity for Applicants.....11
Part V – Other Statements of Recipient.....11

Certifications, Assurances, and Other Statements of the Recipient

Part I – Certifications and Assurances

1. Assurance of Compliance with Laws and Regulations Governing Non-Discrimination in Federally Assisted Programs

(a) The recipient hereby assures that no person in the United States shall, on the bases set forth below, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity receiving financial assistance from USAID, and that with respect to the Cooperative Agreement for which application is being made, it will comply with the requirements of:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d), which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance;

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance;

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds;

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(5) USAID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations.

(b) If the recipient is an institution of higher education, the Assurances given herein extend to admission practices and to all other practices relating to the treatment of students or clients of the institution, or relating to the opportunity to participate in the provision of services or other benefits to such individuals, and shall be applicable to the entire institution unless the recipient establishes to the satisfaction of the USAID Administrator that the institution's practices in designated parts or programs of the institution will in no way affect its practices in the program of the institution for which financial assistance is sought, or the beneficiaries of, or participants in, such programs.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the recipient by the Agency, including installment payments after such date on account of applications for Federal financial assistance which was approved before such date. The recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the recipient.

2. Certification Regarding Lobbying

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal Cooperative Agreement, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

"The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure."

3. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206)

USAID reserves the right to terminate this Agreement, to demand a refund or take other appropriate measures if the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certifications are required for Key Individuals or Covered Participants. If there are COVERED PARTICIPANTS: USAID reserves the right to terminate assistance to or take

other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

4. Certification Regarding Terrorist Financing, Implementing Executive Order 13224

By signing and submitting this application, the prospective recipient provides the certification set out below:

1. The Recipient, to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts, as that term is defined in paragraph 3.

2. The following steps may enable the Recipient to comply with its obligations under paragraph 1:

a. Before providing any material support or resources to an individual or entity, the Recipient will verify that the individual or entity does not (i) appear on the master list of **Specially Designated Nationals and Blocked Persons**, which is maintained by the U.S. Treasury's Office of Foreign Assets Control (OFAC), or (ii) is not included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID to the Recipient.

b. Before providing any material support or resources to an individual or entity, the Recipient also will verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the "1267 Committee") [individuals and entities linked to the Taliban, Usama bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, the Recipient should refer to the consolidated list available online at the Committee's website:

<http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

c. Before providing any material support or resources to an individual or entity, the Recipient will consider all information about that individual or entity of which it is aware and all public information that is reasonably available to it or of which it should be aware.

d. The Recipient also will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

3. For purposes of this Certification-

a. "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."

b. "Terrorist act" means-

(i) an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site:

<http://untreaty.un.org/English/Terrorism.asp>); or

(ii) an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or

(iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

c. "Entity" means a partnership, association, corporation, or other organization, group or subgroup.

d. References in this Certification to the provision of material support and resources shall not be deemed to include the furnishing of USAID funds or USAID-financed commodities to the ultimate beneficiaries of USAID assistance, such as recipients of food, medical care, micro-enterprise loans, shelter, etc., unless the Recipient has reason to believe that one or more of these beneficiaries commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

e. The Recipient's obligations under paragraph 1 are not applicable to the procurement of goods and/or services by the Recipient that are acquired in the ordinary course of business through contract or purchase, e.g., utilities, rents, office supplies, gasoline, etc., unless the Recipient has reason to believe that a vendor or supplier of such goods and services commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

This Certification is an express term and condition of any agreement issued as a result of this application, and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

5. Certification of Recipient

By signing below the recipient provides certifications and assurances for (1) the Assurance of Compliance with Laws and Regulations Governing Non-Discrimination in Federally Assisted Programs, (2) the Certification Regarding Lobbying, (3) the Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206) and (4) the Certification Regarding Terrorist Financing Implementing Executive Order 13224 above.

RFA/APS No. _____

Application No. _____

Date of Application _____

Name of Recipient _____

Typed Name and Title _____

Signature _____

Date _____

Part II – Key Individual Certification Narcotics Offenses and Drug Trafficking

I hereby certify that within the last ten years:

1. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.
2. I am not and have not been an illicit trafficker in any such drug or controlled substance.
3. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Signature: _____

Date: _____

Name: _____

Title/Position: _____

Organization: _____

Address: _____

Date of Birth: _____

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain key individuals of organizations must sign this Certification.
2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

Part III – Participant Certification Narcotics Offenses and Drug Trafficking

1. I hereby certify that within the last ten years:

- a. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the

United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

b. I am not and have not been an illicit trafficker in any such drug or controlled substance.

c. I am not or have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

2. I understand that USAID may terminate my training if it is determined that I engaged in the above conduct during the last ten years or during my USAID training.

Signature: _____

Name: _____

Date: _____

Address: _____

Date of Birth: _____

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain participants must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

Part IV – Survey on Ensuring Equal Opportunity for Applicants

Applicability: All RFA’s must include the attached Survey on Ensuring Equal Opportunity for Applicants as an attachment to the RFA package. Applicants under unsolicited applications are also to be provided the survey. (While inclusion of the survey by Agreement Officers in RFA packages is required, the applicant’s completion of the survey is voluntary, and must not be a requirement of the RFA. The absence of a completed survey in an application may not be a basis upon which the application is determined incomplete or non-responsive. Applicants who volunteer to complete and submit the survey under a competitive or non-competitive action are instructed within the text of the survey to submit it as part of the application process.) [Survey on Ensuring Equal Opportunity for Applicants](#)

Part V – Other Statements of Recipient

1. Authorized Individuals

The recipient represents that the following persons are authorized to negotiate on its behalf with the Government and to bind the recipient in connection with this application or grant:

Name	Title	Telephone No.	Facsimile/Email

2. Taxpayer Identification Number (TIN)

If the recipient is a U.S. organization, or a foreign organization which has income effectively connected with the conduct of activities in the U.S. or has an office or a place of business or a fiscal paying agent in the U.S., please indicate the recipient's TIN:

TIN: _____

***3. Data Universal Numbering System (DUNS) Number**

(a) In the space provided at the end of this provision, the recipient should supply the Data Universal Numbering System (DUNS) number applicable to that name and address. Recipients should take care to report the number that identifies the recipient's name and address exactly as stated in the proposal.

(b) The DUNS is a 9-digit number assigned by Dun and Bradstreet Information Services. If the recipient does not have a DUNS number, the recipient should call Dun and Bradstreet directly at 1-800-333-0505. A DUNS number will be provided immediately by telephone at no charge to the recipient. The recipient should be prepared to provide the following information:

- (1) Recipient's name.
- (2) Recipient's address.

- (3) Recipient's telephone number.
- (4) Line of business.
- (5) Chief executive officer/key manager.
- (6) Date the organization was started.
- (7) Number of people employed by the recipient.
- (8) Company affiliation.

*(c) Recipients located outside the United States may e-mail Dun and Bradstreet at globalinfo@dbisma.com to obtain the location and phone number of the local Dun and Bradstreet Information Services office.

The DUNS system is distinct from the Federal Taxpayer Identification Number (TIN) system.

DUNS: _____

4. Letter of Credit (LOC) Number

If the recipient has an existing Letter of Credit (LOC) with USAID, please indicate the LOC number:

LOC: _____

5. Procurement Information

(a) Applicability. This applies to the procurement of goods and services planned by the recipient (i.e., contracts, purchase orders, etc.) from a supplier of goods or services for the direct use or benefit of the recipient in conducting the program supported by the grant, and not to assistance provided by the recipient (i.e., a subgrant or subagreement) to a subgrantee or subrecipient in support of the subgrantee's or subrecipient's program. Provision by the recipient of the requested information does not, in and of itself, constitute USAID approval.

(b) Amount of Procurement. Please indicate the total estimated dollar amount of goods and services which the recipient plans to purchase under the grant:
\$ _____

(c) Nonexpendable Property. If the recipient plans to purchase nonexpendable equipment which would require the approval of the Agreement Officer, please indicate below (using a continuation page, as necessary) the types, quantities of each, and estimated unit costs. Nonexpendable equipment for which the Agreement Officer's approval to purchase is required is any article of nonexpendable tangible personal property charged directly to the grant, having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

TYPE/DESCRIPTION (Generic) _____

QUANTITY _____

ESTIMATED UNIT COST _____

(d) Source, Origin, and Componentry of Goods. If the recipient plans to purchase any goods/commodities which are not of U.S. source and/or U.S. origin, and/or does not contain at least

50% componentry, which are not at least 50% U.S. source and origin, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, and probable source and/or origin, to include the probable source and/or origin of the components if less than 50% U.S. components will be contained in the commodity. "Source" means the country from which a commodity is shipped to the cooperating country or the cooperating country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse. Any commodity whose source is a non-Free World country is ineligible for USAID financing. The "origin" of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results, which is substantially different in basic characteristics or in purpose or utility from its components. Merely packaging various items together for a particular procurement or relabeling items do not constitute production of a commodity. Any commodity whose origin is a non-Free World country is ineligible for USAID financing. "Components" are the goods, which go directly into the production of a produced commodity. Any component from a non-Free World country makes the commodity ineligible for USAID financing.

TYPE/DESCRIPTION _____
 QUANTITY _____
 ESTIMATED GOODS _____
 PROBABLE GOODS _____
 PROBABLE (Generic) _____
 UNIT COST _____
 COMPONENTS _____
 SOURCE _____
 COMPONENTS _____
 ORIGIN _____

(e) Restricted Goods. If the recipient plans to purchase any restricted goods, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, intended use, and probable source and/or origin. Restricted goods are Agricultural Commodities, Motor Vehicles, Pharmaceuticals, Pesticides, Rubber Compounding Chemicals and Plasticizers, Used Equipment, U.S. Government-Owned Excess Property, and Fertilizer.

TYPE/DESCRIPTION _____
 QUANTITY _____
 ESTIMATED _____
 PROBABLE _____
 INTENDED USE (Generic) _____
 UNIT COST _____
 SOURCE _____
 ORIGIN _____

(f) Supplier Nationality. If the recipient plans to purchase any goods or services from suppliers of goods and services whose nationality is not in the U.S., please indicate below (using a continuation page, as necessary) the types and quantities of each good or service, estimated costs of each, probable nationality of each non-U.S. supplier of each good or service, and the rationale for purchasing from a non-U.S. supplier. Any supplier whose nationality is a non-Free World country

is ineligible for USAID financing.

TYPE/DESCRIPTION _____
QUANTITY _____
ESTIMATED _____
PROBABLE SUPPLIER _____
NATIONALITY _____
RATIONALE (Generic) _____
UNIT COST (Non-US Only) _____
FOR NON-US _____

(g) Proposed Disposition. If the recipient plans to purchase any nonexpendable equipment with a unit acquisition cost of \$5,000 or more, please indicate below (using a continuation page, as necessary) the proposed disposition of each such item. Generally, the recipient may either retain the property for other uses and make compensation to USAID (computed by applying the percentage of federal participation in the cost of the original program to the current fair market value of the property), or sell the property and reimburse USAID an amount computed by applying to the sales proceeds the percentage of federal participation in the cost of the original program (except that the recipient may deduct from the federal share \$500 or 10% of the proceeds, whichever is greater, for selling and handling expenses), or donate the property to a host country institution, or otherwise dispose of the property as instructed by USAID.

TYPE/DESCRIPTION (Generic) _____
QUANTITY _____
ESTIMATED UNIT COST _____
PROPOSED DISPOSITION _____

6. Past Performance References

On a continuation page, please provide past performance information requested in the RFA.

7. Type of Organization

The recipient, by checking the applicable box, represents that -

(a) If the recipient is a U.S. entity, it operates as [] a corporation incorporated under the laws of the State of, [] an individual, [] a partnership, [] a nongovernmental nonprofit organization, [] a state or local governmental organization, [] a private college or university, [] a public college or university, [] an international organization, or [] a joint venture; or

(b) If the recipient is a non-U.S. entity, it operates as [] a corporation organized under the laws of _____ (country), [] an individual, [] a partnership, [] a nongovernmental nonprofit organization, [] a nongovernmental educational institution, [] a governmental organization, [] an international organization, or [] a joint venture.

8. Estimated Costs of Communications Products

The following are the estimate(s) of the cost of each separate communications product (i.e., any printed material [other than non-color photocopy material], photographic services, or video production services) which is anticipated under the grant. Each estimate must include all the costs associated with preparation and execution of the product. Use a continuation page as necessary.

USAID/GUATEMALA CENTRAL AMERICAN PROGRAMS

ORDER No.: 6.6
SUBJECT: Value Added Tax (VAT) Exemption Procedures
REFERENCE: GOG Decree #78 of 9/1/1954, Valued Added Tax
(Impuesto al Valor Agregado – IVA) Law #27/92
and its Amendments
EFFECTIVE DATE: January 1, 2000
SUPERSEDES: M.O. 19.22 dated September 19, 1997
PAGE: 1 of 4

I. PURPOSE

The purpose of this USAID Mission Order is to amend established procedures to be followed in the management of the IVA Exemption forms, both for official procurement and personal purchases made by U.S. Government Employees (USDHs, USPSCs, TCNs), Institutional Contractors and Grantees.

II. POLICY

Under the Vienna Convention on Foreign Relations all diplomatic missions and consulates at post are tax exempted. Also, under the Agreement between the Government of Guatemala and the Government of the United States of America of September 1, 1954 all supplies, materials, equipment or funds entered into the Country by the United States Government for the purpose of accomplishing the USAID's program objectives are tax exempted.

III. LIMITATIONS

A. The limit set up to issue IVA Exemption forms is Q800.00. An IVA Exemption form must be issued for all official purchases when the NET amount of the goods or services exceeds Q800.00. The limit applies to the amount of the goods or services, not to the amount of IVA. However, IVA Exemption forms may be used to cover hotel rates even if the daily rate is lower than Q800.00, at the option of the entity receiving the services.

B. IVA forms can only be used for procurement by USAID funded activities, or for personal purchases for the following categories of employees: USDHs and their family members, US-hired contractors (i.e. USPSCs, TCNs), Institutional contractors and Grantees.

IV. DEFINITION OF TERMS

VAT: Value Added Tax or IVA (Impuesto al Valor Agregado)
IVA Exemption Form: Accounting document through which diplomatic missions get Value Added Tax Exemption
NIT: Tax Identification Number (Número de Identificación Tributaria)
AID's NIT: 347442-9
Personal Purchase: This category of purchases includes any purchases for personal use of eligible employees per Section III.B.

V. AUTHORIZING OFFICERS AND RESPONSIBILITIES

The persons listed below are accountable for the forms, and are also designated to sign them for OE or project procurement, depending on their area of responsibility, and for personal use by eligible employees as listed in Section III.B.

BLANK FORMS SHOULD NOT BE SIGNED.

George Carner, Director
Deborah Kennedy-Iraheta, Deputy Director
Erhardt Rupprecht, Deputy Regional Director
Robert Kahn, Chief, Project Development and Management Office
David Barth, Regional Legal Advisor
John McCarthy, Peace Project
Braden Enroth, Regional Contracting Officer
Alan Reed, Executive Officer
Thomas Walsh, Controller
Randall Peterson, Chief, Trade and Economic Analysis Office
Bernai Velarde, Trade and Economic Analysis Office
Brian Rudert, Chief, Income and Natural Resources Office
Ronald Ruybal, Income and Natural Resources Office
Keith Kline, Income and Natural Resources Office
Jeffrey Borns, Chief, Office of Democratic Initiatives
Steven Hendrix, Office of Democratic Initiatives
Mary Ann Anderson, Office of Health and Education
Julia Richards, Office of Health and Education
Stanley Terrell, Office of Health and Education
Edward Scholl, Office of Health and Education
Philip Jones, PROARCA
Anne Dix, PROARCA
Sarah Wines, Director Regional Urban Development Office
Sonny Low, Regional Urban Development Office
Elizabeth Bauch, Regional Urban Development Office

VI. CONTROL OF FORMS

IVA Exemption forms will be provided to senior secretaries by the Travel Assistant. It is the senior secretaries' responsibility to maintain adequate distribution and control of the IVA forms assigned to each Division. It is the Travel Assistant's responsibility to maintain an adequate stock of IVA exemption forms.

VII. PROCEDURES

Following are the guidelines to obtain, issue, and report the I.V.A. exemption forms:

A. IVA forms will be provided to all senior secretaries or their designees, in accordance with each Division's requirements, for signature by the persons designated in Section V above. All senior secretaries or their designees are responsible for the preparation of I.V.A. forms in the following cases:

1. Official use (i.e. Hotels)
2. Personal purchases
 - a. Made by eligible employees as stated in Section III.B.
 - b. Return third copy of IVA form as soon as possible – **NO NEW IVA FORMS WILL BE PROVIDED UNTIL USED FORMS ARE RETURNED TO SENIOR SECRETARIES**

B. Receipts/bills/customs forms should be issued as follows:

- Name of Employee or Project/USAID
- USAID Mission's NIT

C. For USAID funded procurement by contractors/grantees located outside the USAID facilities, senior secretaries or their designees will provide the project manager a number of IVA forms needed in accordance with their requirements. Upon presentation of the used IVA forms the senior secretary will replenish the contractor/grantees stock.

D. All senior secretaries must log in all the IVA forms in the DTS (Document Tracking System) on a daily basis and should return the copies to the Travel Office every two weeks, in order to obtain a new stock of forms. (For more instructions on the reporting requirements, refer to Section VIII of this Mission Order.)

E. Instructions to fill out the forms: (See Exhibit 1)

1. The I.V.A. exemption forms should contain the following information:

- Date of form
- IVA Amount in local currency
- Supplier/Vendor's name
- Supplier/Vendor's NIT number
- IVA amount spelled out
- USAID NIT Number
- Signature of authorized official (SEE V. ABOVE)

In the bottom part of the form, the following information must be included:

- Invoice #
- Date of Invoice
- Amount without IVA
- IVA Amount
- Total Amount

REF: Office Initials

2. Forms should be filled out completely

3. Distribution of IVA form:

- Original and 1 copy: Supplier/Vendor/Customs
- Second Copy: USAID Files. The third copy Mission copy) should be completely legible. If it is not legible a copy of the bill or receipt should be attached

VIII. REPORTING REQUIREMENTS

The Ministry of Finance requires all diplomatic missions in Guatemala to prepare a quarterly report which shows the usage of all IVA Exemption Forms per month. It is the responsibility of the officers designated in Section V above to ensure that IVA exemption forms are logged in on a daily basis, and reported to EXO biweekly.

These reports will then be consolidated by the Travel Office and sent to the Ministry of Finance quarterly within the first ten working days of the respective month.

Senior secretaries or their designees will have access to the IVA program on a permanent basis, which will be available in the Local Applications Option under the "DTS" icon.

IX. OTHER CONSIDERATIONS

According to an amendment to the IVA law published on December 23, 1994, vendors must include the total amount, IVA included, on their invoices. Employees involved in the processing of vouchers shall check that all invoices meet this requirement.

Alan Reed
Executive Officer

**USAID/GUATEMALA
DETERMINATION
EXTENSION OF IVA EXEMPTION PRIVILEGES
TO SUB-AWARDEES OF
USAID PRIME RECIPIENTS**

September 21, 2007

It has been brought to the attention of the Regional Contracting Officer, the USAID/Guatemala Financial Manager and Executive Officers that the sub-awardees of USAID prime Recipients have not been given the opportunity to use the IVA exemptions when procuring goods and services locally in the past.

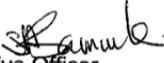
When brought to the attention of the Legal Advisor, Ms. Rakas, she agreed that procurements made by sub-awardees should be exempt from taxes as would be the prime. She recommended to up-date the current Mission Order to clarify this specific point.

Based on the above, the Regional Agreement Officer has determined that the IVA exoneration forms shall be used to exonerate all USAID Prime Recipients as well as their sub-awardees on the IVA tax imposed on goods and services procured locally. Prime Recipients will be responsible for the use of IVA exoneration forms of their sub-awardees and will report their use to USAID/Guatemala.



Braden W. Enroth
Supervisory Regional Contracting/Agreement Officer

USAID/GUATEMALA
STAFF NOTICE 10-09
November 16, 2009

TO: All Mission Employees
FROM: Sheila Samuels, Executive Officer 
SUBJECT: VAT EXEMPTIONS

In a recent meeting held with Superintendencia de Administración Tributaria (SAT), USAID has been advised of the following revised procedures regarding the use of the VAT (Value Added Tax) exemption forms:

1. The exemption of the VAT for personal purchases is only authorized for accredited diplomatic personnel who are issued an exempted Número de Identificación Tributaria (NIT) by the Ministry of Foreign Affairs through SAT.

Accredited diplomatic personnel must use their ExenIva card for personal purchases. USAID is no longer allowed to issue the IVA forms to personnel for personal purchases.

2. Contractors and grantees are **NOT** authorized VAT exemptions for personal purchases. Therefore, effective immediately, please discontinue issuing USAID's IVA exemption forms to our implementing partners for personal purchases. Contractors and grantees will continue to use USAID's IVA exemption forms for USAID-funded procurement.

COTRs are responsible for relaying this information to their contractors and grantees and closely monitor the use of the IVA exemption forms to ensure these are not used for personal purchases.

Mission Order 6.6 is being revised to incorporate the above information and will be re-issued shortly.

If you have any additional questions, please do not hesitate to contact Sofia Hernandez or myself.

Clearances: PPS:ERojas:  FMO:DBogran:  RCO:DBrown: email of 11/17/09

I. MANDATORY STANDARD PROVISIONS FOR NON-U.S. NONGOVERNMENTAL RECIPIENTS

1. ALLOWABLE COSTS (OCTOBER 1998)

a. The recipient shall be reimbursed for costs incurred in carrying out the purposes of this award which are determined by the Agreement Officer to be reasonable, allocable, and allowable in accordance with the terms of this award and the applicable* cost principles in effect on the date of this award. The recipient may obtain a copy from the Agreement Officer. Brief definitions of what may be considered as reasonable, allocable, and allowable costs are provided below, however, it is the recipient's responsibility to ensure that costs incurred are in accordance with the applicable set of Cost Principles.

(1) Reasonable. Shall mean those costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.

(2) Allocable Costs. Shall mean those costs which are incurred specifically for the award.

(3) Allowable Costs. Shall mean those costs which conform to any limitations in the award.

b. Prior to incurring a questionable or unique cost, the recipient shall obtain the Agreement Officer's written determination on whether the cost will be allowable.

c. It is USAID policy that no funds shall be paid as profit or fee to a recipient under this agreement or any subrecipient. This restriction does not apply to contractual relationships under this agreement.

=====
*NOTE: For educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122; and for profit making firms use Federal Acquisition Regulation 31.2 and USAID Acquisition Regulation 731.2.
=====

[END OF PROVISION]

2. ACCOUNTING, AUDIT, AND RECORDS (OCTOBER 1998)

a. The recipient shall maintain financial records, supporting documents, statistical records and all other records pertinent to the award in accordance with generally accepted accounting principles formally prescribed by the U.S., the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantiate charges to this award. Accounting records that are supported by documentation will, at a minimum, be adequate to show all costs incurred under the award, receipt, and use of goods and services acquired under the award, the costs of the program supplied from other sources, and the overall progress of the program. Unless otherwise notified, the recipient records and subrecipient records which pertain to this award shall be retained for a period of three years from the date of submission of the final expenditure report and may be audited by USAID and/or its representatives.

b. Foreign for-profit and nonprofit organizations that expend \$300,000 or more per their fiscal year in "USAID awards" as recipients or subrecipients of USAID grants or cooperative agreements, or as cost reimbursable subcontractors of USAID grants or cooperative agreements, shall have an annual audit conducted in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the USAID Inspector General.

- c. Foreign for-profit and nonprofit organizations expending less than \$300,000 per their fiscal year under USAID cost-reimbursable contracts, grants, cooperative agreements, or agreements with host governments shall be exempt from the above financial audit requirements, but are subject to the requirement to make records available upon request for review by USAID officials or their designees.
- d. USAID shall retain the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending USAID funds regardless of the audit requirement.
- e. Foreign organizations that provide USAID resources to other organizations to carry out the USAID program and activities shall be responsible for monitoring their subcontractors or subgrantees. Allowable costs for limited scope subrecipient audits charged to USAID funds shall be limited to one or more of the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; matching, level of effort; earmarking; and reporting.
- f. The audit report shall be submitted to USAID within 30 days after completion of the audit; the audit shall be completed, and the report submitted, not later than nine months after the close of the recipient's fiscal year. The USAID Inspector General will review this report to determine whether it complies with the audit requirements of this award. No audit costs may be charged to this award if audits have not been made in accordance with the terms of this provision. In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this provision, USAID will consider appropriate sanctions which may include suspension of all or a percentage of disbursements until the audit is satisfactorily completed.
- g. This provision in its entirety shall be incorporated into all subawards with non-U.S. organizations which meet the \$300,000 threshold as described at paragraph b. of this provision. Subawards to non-U.S. organizations which are for more than \$10,000 but do not meet the \$300,000 threshold shall, at a minimum, incorporate paragraph d. of this provision. Subawards of grants and cooperative agreements made to U.S. organizations shall state that the U.S. organization is subject to the audit requirements contained in OMB Circular A-133.

[END OF PROVISION]

3. PAYMENT ADVANCES AND REFUNDS (OCTOBER 1998)

- a. Recipients shall maintain advances of USAID funds in interest bearing accounts, unless:
- (1) The recipient receives less than \$120,000 in U.S. Government (USG) awards per year;
 - (2) The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on U.S. Government cash balances; or
 - (3) The depository would require an average or minimum balance so high that it would not be practical to maintain the advance in an interest bearing account.
- b. Interest earned on advances will be remitted to USAID. However, the recipient may retain up to \$250 of interest earnings per account per year, for administrative expenses.
- c. At the time the award expires or is terminated, the following types of funds shall immediately

revert to USAID:

- (1) USAID has obligated funds to the award, but has not disbursed them to the recipient;
- or
- (2) USAID has advanced funds to the recipient, but the recipient has not expended them.
- Notwithstanding c.(1) and c.(2) above, funds which the recipient has obligated in legally binding transactions applicable to this award will not revert to USAID.

d. USAID reserves the right to require refund by the recipient of any amount which the recipient did not spend in accordance with the terms and conditions of this award. In the event that a final audit has not been performed prior to the closeout of this award, USAID retains the right to a refund until all claims which may result from the final audit have been resolved between USAID and the recipient.

[END OF PROVISION]

4. REVISION OF AWARD BUDGET (OCTOBER 1998)

- a. The approved award budget is the financial expression of the recipient's program as approved during the award process.
- b. The recipient is required to report deviations from budget and program plans, and request prior approvals from the Agreement Officer for any of the following reasons:
 - (1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.
 - (2) To change a key person where specified in the award, or allow a 25% reduction in time devoted to the project.
 - (3) Additional funding is needed.
 - (4) Where indirect costs have been authorized, the recipient plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.
 - (5) The inclusion of costs that require prior approval in accordance with the applicable set of Cost Principles.
 - (6) The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.
 - (7) The recipient intends to contract or subaward any of the work under this award, and such contracts or subawards were not included in the approved award budget.
- c. If specified in the Schedule of the award, the recipient may be further restricted from transferring funds among cost categories. Such a restriction would require the recipient to get the prior approval of the Agreement Officer before making budget shifts which expect to exceed 10% of the total budget.
- d. USAID is under no obligation to reimburse the recipient for costs incurred in excess of the total amount obligated under the award. If the total obligated amount under the award has been increased, the Agreement Officer will notify the recipient in writing of the increase and specify the new total obligated award amount.

[END OF PROVISION]

5. TERMINATION AND SUSPENSION (OCTOBER 1998)

- a. The Agreement Officer may terminate this award at any time, in whole or in part, upon written notice to the recipient, whenever it is determined that the recipient has materially failed to comply

with the terms and conditions of the award.

b. This award may be terminated at any time, in whole or in part, by the Agreement Officer with the consent of the recipient. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion of the award to be terminated. The agreement to terminate shall be set forth in a letter from the Agreement Officer to the recipient.

c. This award may be terminated at any time, in whole or in part, by the recipient upon sending written notification to the Agreement Officer with the following information: the reasons for the termination, the effective date, and, in the case of a partial termination, the portion to be terminated. However, if USAID determines in the case of partial termination that the reduced or modified portion of the award will not accomplish the purposes for which the award was made, USAID may terminate the award in its entirety in accordance with paragraphs a. or b. above.

d. If at any time USAID determines that continuation of all or part of the funding for a program should be suspended or terminated because such assistance would not be in the national interest of the United States or would be in violation of an applicable law, then USAID may, following notice to the recipient, suspend or terminate this award, in whole or part, and prohibit the recipient from incurring additional obligations chargeable to this award other than those costs specified in the notice of suspension during the period of suspension. If the situation causing the suspension continues for 60 days or more, then USAID may terminate this award on written notice to the recipient and cancel that portion of this award which has not been disbursed or irrevocably committed to third parties.

e. Termination and Suspension Procedures. Upon receipt of, and in accordance with a termination notice as specified above, the recipient shall take immediate action to minimize all expenditures and obligations financed by this award and shall cancel such unliquidated obligations whenever possible. Except as provided below, the recipient shall not incur costs after the effective date of termination.

The recipient shall within 30 calendar days after the effective date of such termination repay to the U.S. Government all unexpended USAID funds which are not otherwise obligated by a legally binding transaction applicable to this award. Should the funds paid by USAID to the recipient prior to the effective date of the termination of this award be insufficient to cover the recipient's obligations in the legally binding transaction, the recipient may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The Agreement Officer shall determine the amount(s) to be paid by USAID to the recipient under such claim in accordance with the applicable Cost Principles. This provision must be included in all subagreements.

[END OF PROVISION]

6. DISPUTES (OCTOBER 1998)

a. Any dispute under this award shall be decided by the USAID Agreement Officer. The Agreement Officer shall furnish the recipient a written copy of the decision.

b. Decisions of the USAID Agreement Officer shall be final unless, within 30 days of receipt of the decision of the Agreement Officer, the recipient appeals the decision to USAID's Assistance Executive. Any appeal made under this provision shall be in writing and addressed to the

Assistance Executive, U.S. Agency for International Development, Office of Procurement, 1300 Pennsylvania Ave, NW., Washington, DC 20523. A copy of the appeal shall be concurrently furnished to the Agreement Officer.

- c. In order to facilitate review on the record by the Assistance Executive, the recipient shall be given an opportunity to submit written evidence in support of its appeal. No hearing will be provided.
- d. A decision under this provision by the Assistance Executive shall be final.

[END OF PROVISION]

7. INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

[END OF PROVISION]

8. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (JANUARY 2004)

a. The recipient agrees to notify the Agreement Officer immediately upon learning that it or any of its principals:

(1) Are presently excluded or disqualified from covered transactions by any Federal department or agency;

(2) Have been convicted within the preceding three-year period preceding this proposal; been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects your present responsibility;

(3) Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph a.(2); and

(4) Have had one or more public transactions (Federal, State, or local) terminated for cause or default within the preceding three years.

b. The recipient agrees that, unless authorized by the Agreement Officer, it will not knowingly enter into any subagreements or contracts under this grant with a person or entity that is included on the Excluded Parties List System (www.epls.gov/). The recipient further agrees to include the following provision in any subagreements or contracts entered into under this award:

DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION (DECEMBER 2003)

The recipient/contractor certifies that neither it nor its principals is presently excluded or disqualified from participation in this transaction by any Federal department or agency.

c. The policies and procedures applicable to debarment, suspension, and ineligibility under USAID-financed transactions are set forth in 22 CFR 208.

[END OF PROVISION]

9. DRUG-FREE WORKPLACE (JANUARY 2004)

a. The recipient agrees that it will publish a drug-free workplace statement and provide a copy to each employee who will be engaged in the performance of any Federal award. The statement must

- (1) Tell the employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in its workplace;
- (2) Specify the actions the recipient will take against employees for violating that prohibition; and
- (3) Let each employee know that, as a condition of employment under any award, he or she
 - (i) Must abide by the terms of the statement, and
 - (ii) Must notify you in writing if he or she is convicted for a violation of a criminal drug statute occurring in the workplace, and must do so no more than five calendar days after the conviction.

b. The recipient agrees that it will establish an ongoing drug-free awareness program to inform employees about

- (1) The dangers of drug abuse in the workplace;
- (2) Your policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation and employee assistance programs; and
- (4) The penalties that you may impose upon them for drug abuse violations occurring in the workplace.

c. Without the Agreement Officer's expressed written approval, the policy statement and program must be in place as soon as possible, no later than the 30 days after the effective date of this award, or the completion date of this award, whichever occurs first.

d. The recipient agrees to immediately notify the Agreement Officer if an employee is convicted of a drug violation in the workplace. The notification must be in writing, identify the employee's position title, the number of each award on which the employee worked. The notification must be sent to the Agreement Officer within ten calendar days after the recipient learns of the conviction.

e. Within 30 calendar days of learning about an employee's conviction, the recipient must either

(1) Take appropriate personnel action against the employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, or

(2) Require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for these purposes by a Federal, State or local health, law enforcement, or other appropriate agency.

f. The policies and procedures applicable to violations of these requirements are set forth in 22 CFR 210.

[END OF PROVISION]

10. NONLIABILITY (NOVEMBER 1985)

USAID does not assume liability for any third party claims for damages arising out of this award.

[END OF PROVISION]

11. AMENDMENT (OCTOBER 1998)

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters or forms between the Agreement Officer and an appropriate official of the recipient.

[END OF PROVISION]

12. NOTICES (OCTOBER 1998)

Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person or mailed as follows:

- (1) To the USAID Agreement Officer and Agreement Officer's Technical Representative (AOTR), at the addresses specified in the award; and
- (2) To recipient, at recipient's address shown in the award, or to such other address designated within the award.

Notices shall be effective when delivered in accordance with this provision, or on effective date of the notice, whichever is later.

[END OF PROVISION]

13. METRIC SYSTEM OF MEASUREMENT (AUGUST 1992)

Wherever measurements are required or authorized, they shall be made, computed, and recorded in metric system units of measurement, unless otherwise authorized by the Agreement Officer in writing when it has found that such usage is impractical or is likely to cause U.S. firms to experience significant inefficiencies or the loss of markets. Where the metric system is not the predominant standard for a particular application, measurements may be expressed in both the metric and the traditional equivalent units, provided the metric units are listed first.

[END OF PROVISION]

14. EQUAL PROTECTION OF THE LAWS FOR FAITH-BASED AND COMMUNITY ORGANIZATIONS (December 2009)

a. All the requirements of 22 CFR 205, Participation By Religious Organizations In USAID Programs, are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in 22 CFR 226. The requirements of 22 CFR 205 apply to both religious and secular organizations.

b. If the recipient makes subawards under this agreement, faith-based organizations must be

eligible to participate on the same basis as other organizations, and must not be discriminated for or against on the basis of their religious character or affiliation.

c. The recipient must not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services directly funded with financial assistance from USAID. If the recipient engages in inherently religious activities, such as worship, religious instruction, and proselytization, it must offer those services at a different time or location from any programs or services directly funded by this award, and participation by beneficiaries in any such inherently religious activities must be voluntary. These restrictions do not apply to programs where USAID funds are provided to chaplains to work with inmates in prisons, detention facilities, or community correction centers, or where USAID funds are provided to religious or other organizations for programs in prisons, detention facilities, or community correction centers, in which such organizations assist chaplains in carrying out their duties.

d. The recipient must not use USAID funds for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Where a structure is used for both eligible and inherently religious activities, USAID funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with applicable cost accounting principles. Sanctuaries, chapels, or other rooms that the recipient uses as its principal place of worship are ineligible for acquisition, construction, rehabilitation, or improvements using USAID funds.

e. The recipient may not discriminate against any beneficiary or potential beneficiary under this award on the basis of religion or religious belief. Accordingly, in providing services supported, in whole or in part, by this agreement or in its outreach activities related to such services, the recipient may not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to actively participate in a religious practice.

f. When the recipient is a religious organization, the recipient

(1) Retains its independence and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct financial assistance from USAID to support any inherently religious activities, such as worship, religious instruction, or proselytization.

(2) Retains its authority over its internal governance and may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(3) Retains its exemption from the Federal prohibition on employment discrimination on the basis of religion, set forth in Sec. 702(a) of the Civil Rights Act of 1964, 42 U.S.C. 2000e-1.

(4) May use space in its facilities, without removing religious art, icons, scriptures, or other religious symbols.

g. The Secretary of State may waive the requirements of this provision in whole or in part, on a case-by-case basis, where the Secretary determines that such waiver is necessary to further the national security or foreign policy interests of the United States.

[END OF PROVISION]

15. IMPLEMENTATION OF E.O. 13224 -- EXECUTIVE ORDER ON TERRORIST FINANCING (MARCH 2002)

The recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all contracts/subawards issued under this agreement

[END OF PROVISION]

16. MARKING UNDER USAID-FUNDED ASSISTANCE INSTRUMENTS (DECEMBER 2005)

a. Definitions

Commodities mean any material, article, supply, goods or equipment, excluding recipient offices, vehicles, and nondeliverable items for recipient's internal use, in administration of the USAID-funded grant, cooperative agreement, or other agreement or subagreement.

Principal Officer means the most senior officer in a USAID Operating Unit in the field, for example, USAID Mission Director or USAID Representative. For global programs managed from Washington but executed across many countries, such as disaster relief and assistance to internally displaced persons, humanitarian emergencies or immediate post conflict and political crisis response, the cognizant Principal Officer may be an Office Director, for example, the Directors of USAID/W/Office of Foreign Disaster Assistance and Office of Transition Initiatives. For nonpresence countries, the cognizant Principal Officer is the Senior USAID officer in a regional USAID Operating Unit responsible for the nonpresence country, or in the absence of such a responsible Operating Unit, the Principal U.S Diplomatic Officer in the nonpresence country exercising delegated authority from USAID.

Programs mean an organized set of activities and allocation of resources directed toward a common purpose, objective, or goal undertaken or proposed by an organization to carry out the responsibilities assigned to it.

Projects include all the marginal costs of inputs (including the proposed investment) technically required to produce a discrete marketable output or a desired result (for example, services from a fully functional water/sewage treatment facility).

Public communications are documents and messages intended for distribution to audiences external to the recipient's organization. They include, but are not limited to, correspondence, publications, studies, reports, audio visual productions, and other informational products; applications, forms, press and promotional materials used in connection with USAID-funded programs, projects or activities, including signage and plaques; Web sites/Internet activities; and events such as training courses, conferences, seminars, press conferences, and so forth.

Subrecipient means any person or government (including cooperating country government) department, agency, establishment, or for profit or nonprofit organization that receives a USAID subaward, as defined in 22 CFR 226.2.

Technical Assistance means the provision of funds, goods, services, or other foreign assistance, such as loan guarantees or food for work, to developing countries and other USAID recipients, and through such recipients to subrecipients, in direct support of a Development Objective – as opposed to the internal management of the foreign assistance program.

USAID Identity (Identity) means the official marking for the United States Agency for International Development (USAID), comprised of the USAID logo or seal and new brandmark,

with the tagline that clearly communicates that our assistance is “from the American people.” The USAID Identity is available on the USAID Web site at www.usaid.gov/branding and USAID provides it without royalty, license, or other fee to recipients of USAID-funded grants, or cooperative agreements, or other assistance awards.

b. Marking of Program Deliverables

(1) All recipients must mark appropriately all overseas programs, projects, activities, public communications, and commodities partially or fully funded by a USAID grant or cooperative agreement or other assistance award or subaward with the USAID Identity, of a size and prominence equivalent to or greater than the recipient's, other donor's, or any other third party's identity or logo.

(2) The recipient will mark all program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) with the USAID Identity. The recipient should erect temporary signs or plaques early in the construction or implementation phase. When construction or implementation is complete, the recipient must install a permanent, durable sign, plaque or other marking.

(3) The recipient will mark technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities and other promotional, informational, media, or communications products funded by USAID with the USAID Identity.

(4) The recipient will appropriately mark events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities, with the USAID Identity. Unless directly prohibited and as appropriate to the surroundings, recipients should display additional materials, such as signs and banners, with the USAID Identity. In circumstances in which the USAID Identity cannot be displayed visually, the recipient is encouraged otherwise to acknowledge USAID and the American people's support.

(5) The recipient will mark all commodities financed by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies, and other materials funded by USAID, and their export packaging with the USAID Identity.

(6) The Agreement Officer may require the USAID Identity to be larger and more prominent if it is the majority donor, or to require that a cooperating country government's identity be larger and more prominent if circumstances warrant, and as appropriate depending on the audience, program goals, and materials produced.

(7) The Agreement Officer may require marking with the USAID Identity in the event that the recipient does not choose to mark with its own identity or logo.

(8) The Agreement Officer may require a preproduction review of USAID-funded public communications and program materials for compliance with the approved Marking Plan.

(9) Subrecipients. To ensure that the marking requirements “flow down” to subrecipients of subawards, recipients of USAID-funded grants and cooperative agreements or other

assistance awards will include the USAID-approved marking provision in any USAID-funded subaward, as follows:

“As a condition of receipt of this subaward, marking with the USAID Identity of a size and prominence equivalent to or greater than the recipient’s, subrecipient’s, other donor’s, or third party’s is required. In the event the recipient chooses not to require marking with its own identity or logo by the subrecipient, USAID may, at its discretion, require marking by the subrecipient with the USAID Identity.”

(10) Any ‘public communications’, as defined in 22 CFR 226.2, funded by USAID, in which the content has not been approved by USAID, must contain the following disclaimer: “This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert recipient name] and do not necessarily reflect the views of USAID or the United States Government.”

(11) The recipient will provide the Agreement Officer’s Technical Representative (AOTR) or other USAID personnel designated in the grant or cooperative agreement with two copies of all program and communications materials produced under the award. In addition, the recipient will submit one electronic or one hard copy of all final documents to USAID’s Development Experience Clearinghouse.

c. Implementation of Marking Requirements

(1) When the grant or cooperative agreement contains an approved Marking Plan, the recipient will implement the requirements of this provision following the approved Marking Plan.

(2) When the grant or cooperative agreement does not contain an approved Marking Plan, the recipient will propose and submit a plan for implementing the requirements of this provision within [Agreement Officer fill-in] days after the effective date of this provision. The plan will include:

- (i) A description of the program deliverables specified in paragraph (b) of this provision that the recipient will produce as a part of the grant or cooperative agreement, and which will visibly bear the USAID Identity.
- (ii) The type of marking and what materials the applicant uses to mark the program deliverables with the USAID Identity,
- (iii) When in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking.

(3) The recipient may request program deliverables not be marked with the USAID Identity by identifying the program deliverables and providing a rationale for not marking these program deliverables. Program deliverables may be exempted from USAID marking requirements when:

- (i) USAID marking requirements would compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials;
- (ii) USAID marking requirements would diminish the credibility of audits, reports,

analyses, studies, or policy recommendations whose data or findings must be seen as independent;

(iii) USAID marking requirements would undercut host-country government “ownership” of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications better positioned as “by” or “from” a cooperating country ministry or government official;

(iv) USAID marking requirements would impair the functionality of an item;

(v) USAID marking requirements would incur substantial costs or be impractical;

(vi) USAID marking requirements would offend local cultural or social norms, or be considered inappropriate;

(vii) USAID marking requirements would conflict with international law.

(4) The proposed plan for implementing the requirements of this provision, including any proposed exemptions, will be negotiated within the time specified by the Agreement Officer after receipt of the proposed plan. Failure to negotiate an approved plan with the time specified by the Agreement Officer may be considered as noncompliance with the requirements of this provision.

d. Waivers

(1) The recipient may request a waiver of the Marking Plan or of the marking requirements of this provision, in whole or in part, for each program, project, activity, public communication or commodity, or, in exceptional circumstances, for a region or country, when USAID required marking would pose compelling political, safety, or security concerns, or when marking would have an adverse impact in the cooperating country. The recipient will submit the request through the Agreement Officer’s Technical Representative (AOTR). The Principal Officer is responsible for approvals or disapprovals of waiver requests.

(2) The request will describe the compelling political, safety, security concerns, or adverse impact that require a waiver, detail the circumstances and rationale for the waiver, detail the specific requirements to be waived, the specific portion of the Marking Plan to be waived, or specific marking to be waived, and include a description of how program materials will be marked (if at all) if the USAID Identity is removed. The request should also provide a rationale for any use of recipient’s own identity/logo or that of a third party on materials that will be subject to the waiver.

(3) Approved waivers are not limited in duration but are subject to Principal Officer review at any time, due to changed circumstances.

(4) Approved waivers “flow down” to recipients of subawards, unless specified otherwise. The waiver may also include the removal of USAID markings already affixed, if circumstances warrant.

(5) Determinations regarding waiver requests are subject to appeal to the Principal Officer’s cognizant Assistant Administrator (AA). The recipient may appeal by submitting a written request to reconsider the Principal Officer’s waiver determination to the cognizant AA.

e. Non-retroactivity

The requirements of this provision do not apply to any materials, events, or commodities produced prior to January 2, 2006. The requirements of this provision do not apply to program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) where the construction and implementation of these are complete prior to January 2, 2006 and the period of the grant does not extend past January 2, 2006.

[END OF PROVISION]

17. VOLUNTARY POPULATION PLANNING ACTIVITIES – MANDATORY REQUIREMENTS (MAY 2006)

Requirements for Voluntary Sterilization Programs

(1) None of the funds made available under this award shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any individual to practice sterilization.

Prohibition on Abortion-Related Activities:

(1) No funds made available under this award will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to any person to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for or against abortion. The term “motivate”, as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options.

(2) No funds made available under this award will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent, or consequences of abortions is not precluded.

[END OF PROVISION]

***18. CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER (OCTOBER 2010)**

APPLICABILITY: This provision is required in accordance with 2 CFR 25, Award Term for Central Contractor Registration and Universal Identifier. AOs must include this provision in all assistance solicitations and all awards made on or after October 1, 2010.

CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER (OCTOBER 2010)

a. Requirement for Central Contractor Registration (CCR). Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently, if required by changes in your information or another award term.

b. Requirement for Data Universal Numbering System (DUNS) numbers. If you are authorized to make subawards under this award, you:

(1) Must notify potential subrecipients that no entity (see definition in paragraph c. of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.

(2) May not make a subaward to an entity unless the entity has provided its DUNS number to you.

c. Definitions. For purposes of this award term:

(1) Central Contractor Registration (CCR) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at www.ccr.gov/).

(2) Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at fedgov.dnb.com/webform).

(3) Entity, as it is used in this award term, means all of the following, as defined at 2 CFR 25, subpart C:

- (i) A governmental organization, which is a State, local government, or Indian tribe;
- (ii) A foreign public entity;
- (iii) A domestic or foreign nonprofit organization;
- (iv) A domestic or foreign for-profit organization; and
- (v) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

(4) Subaward:

(i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you, as the recipient, award to an eligible subrecipient.

(ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. --.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").

(iii) A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

(5) Subrecipient means an entity that:

- (i) Receives a subaward from you under this award; and
- (ii) Is accountable to you for the use of the Federal funds provided by the

subaward.

[END OF PROVISION]

***19. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (OCTOBER 2010)**

APPLICABILITY: This provision is required in accordance with 2 CFR 170, Award Term for Reporting Subawards and Executive Compensation. AOs must include this provision in all assistance solicitations and all awards made on or after October 1, 2010.

REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (OCTOBER 2010)

a. Reporting of First-Tier Subawards.

(1) **Applicability.** Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

(2) **Where and when to report.**

(i) You must report each obligating action described in paragraph a.(1) of this award term to www.fsrs.gov.

(ii) For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

(3) **What to report.** You must report the information about each obligating action that the submission instructions posted at www.fsrs.gov specify.

b. Reporting Total Compensation of Recipient Executives.

(1) **Applicability and what to report.** You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if –

(i) The total Federal funding authorized to date under this award is \$25,000 or more;

(ii) In the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(iii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)

(2) Where and when to report. You must report executive total compensation described in paragraph b.(1) of this award term:

(i) As part of your registration profile at www.ccr.gov/.

(ii) By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

(1) Applicability and what to report. Unless you are exempt, as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if –

(i) In the subrecipient's preceding fiscal year, the subrecipient received—

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)

(2) Where and when to report. You must report subrecipient executive total compensation described in paragraph c.(1) of this award term:

(i) To the recipient.

(ii) By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (for example, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30

of that year.

d. Exemptions.

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

(1) Subawards, and

(2) The total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions.

For purposes of this award term:

(1) Entity means all of the following, as defined in 2 CFR 25:

- (i) A governmental organization, which is a State, local government, or Indian tribe;
- (ii) A foreign public entity;
- (iii) A domestic or foreign nonprofit organization;
- (iv) A domestic or foreign for-profit organization;
- (v) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

(2) Executive means officers, managing partners, or any other employees in management positions.

(3) Subaward:

(i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

(ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. --.210 of the attachment to OMB Circular A- 133, "Audits of States, Local Governments, and Non-Profit Organizations").

(iii) A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

(4) Subrecipient means an entity that:

(i) Receives a subaward from you (the recipient) under this award; and

(ii) Is accountable to you for the use of the Federal funds provided by the subaward.

(5) Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more

information see 17 CFR 229.402(c)(2)):

- (i) Salary and bonus.
- (ii) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- (iii) Earnings for services under nonequity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- (iv) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- (v) Above-market earnings on deferred compensation which is not tax-qualified.
- (vi) Other compensation, if the aggregate value of all such other compensation (for example, severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

[END OF PROVISION]

***20. TRAFFICKING IN PERSONS (OCTOBER 2010)**

APPLICABILITY: This provision is required in accordance with 2 CFR 175, Award Term for Trafficking in Persons. AOs must include this provision in all new awards. AOs must modify existing awards to include this provision at the earliest practicable opportunity.

TRAFFICKING IN PERSONS (OCTOBER 2010)

a. Provisions applicable to a recipient that is a private entity.

- (1) You, as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—
 - (i) Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 - (ii) Procure a commercial sex act during the period of time that the award is in effect; or
 - (iii) Use forced labor in the performance of the award or subawards under the award.
- (2) We, as the Federal awarding Agency, may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —
 - (i) Is determined to have violated a prohibition in paragraph a. (1) of this award term; or

(ii) Has an employee who is determined by the Agency official authorized to terminate the award to have violated a prohibition in paragraph a. (1) of this award term through conduct that is either—

(A) Associated with performance under this award; or

(B) Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 22 CFR 208 or its superseding Part in 2 CFR.

b. Provisions applicable to a recipient other than a private entity.

(1) We, as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

(i) Is determined to have violated an applicable prohibition in paragraph a. (1) of this award term; or

(ii) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a. (1) of this award term through conduct that is either—

(A) Associated with performance under this award; or

(B) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 22 CFR 208 or its superseding Part in 2 CFR.

c. Provisions applicable to any recipient.

(1) You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a. (1) of this award term.

(2) Our right to terminate unilaterally that is described in paragraph a. (2) or b. of this section:

(i) Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and

(ii) Is in addition to all other remedies for noncompliance that are available to us under this award.

(3) You must include the requirements of paragraph a. (1) of this award term in any subaward you make to a private entity.

d. Definitions. For purposes of this provision:

- (1) “Employee” means either:
 - (i) An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
 - (ii) Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
- (2) “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
- (3) “Private entity”:
 - (i) Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25(b).
 - (ii) Includes:
 - (A) A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).
 - (B) A for-profit organization.
- (4) “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

[END OF PROVISION]

[END OF MANDATORY PROVISIONS]

II. REQUIRED, AS APPLICABLE, STANDARD PROVISIONS FOR NON-U.S. NONGOVERNMENTAL RECIPIENTS

1. PAYMENT – ADVANCE (OCTOBER 1998)

APPLICABILITY: This provision is applicable when the recipient's accounting and financial management systems conform to the standards for funds control and accountability required under: the standard provision of this agreement entitled "Accounting, Audit, and Records", ADS Chapter 303.5.9 and 22 CFR 226.20 through 226.22.

PAYMENT – ADVANCE (OCTOBER 1998)

a. In accordance with the Standard Provision entitled "Payment Advances and Refund": USAID funds shall not be commingled with other recipient owned or controlled funds; the recipient shall deposit all USAID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

b. Advances shall be limited to the minimum amounts needed to meet current disbursement needs (generally 30 days) and shall be scheduled so that the funds are available to the grantee as close as is administratively feasible to the actual disbursements by the grantee for program costs. Advances made by the recipient to subrecipients or the recipient's field organizations shall conform substantially to the same standards of timing and amount as apply to cash advances by USAID to the recipient.

c. Procedures. After receipt of the initial advance, the recipient shall submit a Standard Form 1034 for each upcoming month (30-day period), with the statement "Request for Advance" printed at the top of the form. The recipient may submit a set of these forms on a quarterly basis (i.e. submission of three SF 1034s, one for each month in the upcoming quarter). At the end of each quarter the recipient shall submit a SF 1034 (marked "Liquidation of Advances") to liquidate the advances of the previous quarter. The recipient may submit a new set of SF 1034s ("Request for Advance") once the "Liquidation of Advances" has been submitted. Each SF 1034 shall be identified by the appropriate award number.

[END OF PROVISION]

2. PAYMENT – REIMBURSEMENT (MAY 1986)

APPLICABILITY: This provision is applicable to grants for construction or to awards where the recipient does not meet the conditions for periodic advance payment.

PAYMENT – REIMBURSEMENT (MAY 1986)

a. The recipient shall submit to the USAID Controller, noted in the Schedule of the award, an original and two copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, on a monthly basis and in no event no later than on a quarterly basis. Each voucher shall be identified by the award number and shall state the total costs for which reimbursement is being requested.

b. Copies of SF 1034 and 1034A may be obtained from the Controller.

[END OF PROVISION]

3. INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (JUNE 1999)

APPLICABILITY: This provision is applicable when costs for international travel or transportation will be funded by USAID. This provision is not applicable if the recipient is providing for travel with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.

INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (JUNE 1999)

a. PRIOR BUDGET APPROVAL

In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

- (1) The trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).
- (2) The information noted at a.(1) above is incorporated in: the proposal, the program description or schedule of the award, the annual implementation plan (initial or revisions), or amendments to the award; and
- (3) The costs related to the travel are incorporated in the approved budget of the award.

The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph a.(2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

b. NOTIFICATION

(1) As long as prior budget approval has been met in accordance with paragraph a. above, a separate Notification will not be necessary unless:

- (i) The primary purpose of the trip is to work with USAID Mission personnel, or
- (ii) The recipient expects significant administrative or substantive programmatic support from the Mission.

Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

(2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:

- (i) Send a written notice to the USAID Agreement Officer's Technical Representative (AOTR) in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W AOTR to forward the notice to the field.
- (ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.
- (iii) The notification shall contain the following information: the award number, the

AOTR, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the AOTR in the Mission to contact the recipient within five working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a subrecipient is required to issue a Notification, as per this section, the subrecipient may contact the AOTR directly, or the prime recipient may contact USAID on the subrecipient's behalf.

c. SECURITY ISSUES

Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before traveling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet.

Where security is a concern in a specific region, recipients may choose to notify the U.S. Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

d. USE OF U.S.-OWNED LOCAL CURRENCY

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

e. THE FLY AMERICA ACT

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator of General Services Administration (GSA) is authorized to issue regulations for purposes of implementation. Those regulations may be found at 41 CFR 301, and are hereby incorporated by reference into this award.

f. COST PRINCIPLES

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials, and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the recipient.

If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

g. SUBAWARDS

This provision will be included in all subawards and contracts which require international air travel and transportation under this award.

[END OF PROVISION]

4. OCEAN SHIPMENT OF GOODS (JUNE 1999)

APPLICABILITY: This provision is applicable for awards and subawards for \$100,000 or more and when goods purchased with funds provided under this award are transported to cooperating countries on ocean vessels whether or not award funds are used for the transportation.

OCEAN SHIPMENT OF GOODS (JUNE 1999)

a. At least 50% of the gross tonnage of all goods purchased under this award and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates.

b. At least 50% of the gross freight revenue generated by shipments of goods purchased under this award and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

c. When U.S. flag vessels are not available, or their use would result in a significant delay, the recipient may request a determination of non-availability from the USAID, Office of Procurement, Transportation and Commodities Division, 1300 Pennsylvania Avenue, NW., Washington, DC 20523, giving the basis for the request which will relieve the recipient of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this award.

d. The recipient shall send a copy of each ocean bill of lading, stating all of the carrier's charges including the basis for calculation such as weight or cubic measurement, covering a shipment under this agreement to:

U.S. Department of Transportation,
Maritime Administration, Division of National Cargo,
400 7th Street, SW.,
Washington, DC 20590, and

U.S. Agency for International Development,
Office of Procurement, Transportation Division
1300 Pennsylvania Avenue, NW.,
Washington, DC 20523-7900

e. Shipments by voluntary nonprofit relief agencies (for example, PVOs) shall be governed by this standard provision and by USAID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR 202).

f. Shipments financed under this award must meet applicable eligibility requirements set out in 22 CFR 228.21.

g. This provision will be included in all subagreements which will finance goods to be shipped on ocean vessels.

[END OF PROVISION]

5. PROCUREMENT OF GOODS AND SERVICES (OCTOBER 1998)

APPLICABILITY: This provision is applicable when the procurement element of an award is over \$10,000.

PROCUREMENT OF GOODS AND SERVICES (OCTOBER 1998)

The recipient may use its own procurement policies and practices for the procurement of goods and services under this award, provided they conform to all of USAID's requirements listed below and the standard provision entitled "USAID Eligibility Rules For Goods and Services".

a. General Requirements:

(1) The recipient shall maintain a written code or standards of conduct that shall govern the performance of its employees engaged in the awarding and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such conflict would arise when the employee, officer or agent, or any member of the employee's immediate family, the employee's partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subagreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements. Contracts shall be made to the offeror whose offer is responsive to the solicitation and is most advantageous to the recipient, price, quality, and other factors considered. Solicitations shall clearly establish all requirements that the bidder or offeror shall fulfill in order to be evaluated by the recipient. Any and all offers may be rejected when it is in the recipient's interest to do so.

(3) All recipients shall establish written procurement procedures. These procedures shall provide, at a minimum, that:

(i) Recipients avoid purchasing unnecessary items,

(ii) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement, and

(iii) Solicitations for goods and services provide for all of the following:

(A) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

(B) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.

(C) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

(D) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

(E) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

(F) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(iv) Positive efforts shall be made by the recipients to utilize U.S. small business, minority-owned firms, and women's business enterprises, whenever possible. Recipients of USAID awards shall take all of the following steps to further this goal:

(A) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises. To permit USAID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under the award, the recipient shall to the maximum extent possible provide the following information to the Office of Small and Disadvantaged Business Utilization (OSDBU/MRC), USAID, Washington, DC 20523, at least 45 days prior to placing any order or contract in excess of \$100,000:

- (a) Brief general description and quantity of goods or services;
- (b) Closing date for receiving quotations, proposals, or bids; and
- (c) Address where solicitations or specifications can be obtained.

(B) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(C) Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises when a contract is too large for one of these firms to handle individually.

(D) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms, and women's business enterprises.

(v) The type of procurement instruments used (for example, fixed price contracts,

cost reimbursable contracts, purchase orders, incentive contracts), shall be determined by the recipient but, shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(vi) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources, or accessibility to other necessary resources. Contracts shall not be made with firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the grantee with copy of this list upon request.

(vii) Recipients shall, on request, make available for USAID, preaward review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:

(A) A recipient's procurement procedures or operation fails to comply with the procurement standards in this part, and

(B) The procurement is expected to exceed \$10,000.

(viii) The recipient shall document some form of price or cost analysis in its procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.

(ix) Procurement records and files for purchases in excess of the recipient's own small purchase threshold shall include the following at a minimum:

(A) Basis for contractor selection;

(B) Justification for lack of competition when competitive bids or offers are not obtained, and;

(C) Basis for award cost or price.

(x) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions, and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions, and specifications of the contract.

b. The recipient shall include, in addition to provisions to define a sound and complete contract, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient, including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) All negotiated contracts (except those for less than the recipient's small purchase threshold) awarded by the recipient shall include a provision to the effect that the recipient, USAID, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts, and transcriptions.

(4) In all contracts for construction or facility improvement awarded for more than \$100,000, the recipient shall observe generally accepted bonding requirements.

(5) Contracts, the principal purpose of which is to create, develop, or improve products, processes, or methods; or for exploration into fields that directly concern public health, safety, or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by the U.S. Government (USG), shall contain a notice to the effect that matters regarding rights to inventions, intellectual property, and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters.

[END OF PROVISION]

6. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (SEPTEMBER 1998)

APPLICABILITY: This provision is applicable when the costs for goods or services will be paid for with USAID funds. This provision is not applicable if the recipient is providing for the goods or services with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.

USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (SEPTEMBER 1998)

a. Ineligible and Restricted Goods and Services: USAID's policies on ineligible and restricted goods and services are contained in ADS Chapter 312.

(1) Ineligible Goods and Services. Under no circumstances shall the recipient procure any of the following under this award:

(i) Military equipment,

(ii) Surveillance equipment,

(iii) Commodities and services for support of police or other law enforcement activities,

(iv) Abortion equipment and services,

(v) Luxury goods and gambling equipment, or

(vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this award shall not be used to procure any goods or services furnished by any firm or individual whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the recipient with this list upon request.

(3) Restricted Goods. The recipient shall not procure any of the following goods and services without the prior approval of the Agreement Officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Used equipment,
- (vi) U.S. Government-owned excess property, or
- (vii) Fertilizer.

Prior approval will be deemed to have been met when:

- (i) The item is of U.S. source/origin;
- (ii) The item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and
- (iii) The costs related to the item are incorporated in the approved budget of the award. Where the item has not been incorporated into the award as described above, a separate written authorization from the Agreement Officer must be provided before the item is procured.

b. Source, Origin and Nationality: The eligibility rules for goods and services based on source, origin, and nationality are divided into two categories. One applies when the total procurement element during the life of the award is over \$250,000 and the other applies when the total procurement element during the life of the award is not over \$250,000, or the award is funded under the Development Fund for Africa (DFA) regardless of the amount. The total procurement element includes procurement of all goods (for example, equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source, origin and nationality are contained in 22 CFR 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by the Agency for International Development, which is incorporated into this Award in its entirety. A copy will be provided upon request.

(1) For DFA funded awards or when the total procurement element during the life of the award is valued at \$250,000 or less, the following rules apply:

- (i) The authorized source for procurement of all goods and services to be

reimbursed under the award is USAID Geographic Code 935, "Special Free World," and such goods and services must meet the source, origin and nationality requirements set forth in 22 CFR 228 in accordance with the following order of preference:

- (A) The United States (USAID Geographic Code 000),
- (B) The Cooperating Country,
- (C) USAID Geographic Code 941, and
- (D) USAID Geographic Code 935.

(ii) Application of Order of Preference: When the recipient procures goods and services from other than U.S. sources, under the order of preference in paragraph b.(1)(i) above, the recipient shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the recipient's documentation:

- (A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (C) Compelling local political considerations precluded consideration of U.S. sources,
- (D) The goods or services were not available from U.S. sources, or
- (E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.

(2) When the total procurement element exceeds \$250,000, (unless funded by DFA), the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars, which will be reimbursed under this award must meet the source, (including origin) and nationality requirements set forth in 22 CFR 228 for the authorized geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 000, the United States.

c. Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by USAID, in whole or in part, and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources in order of preference:

- (1) The United States (USAID Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (USAID Geographic Code 941), and
- (4) "Special Free World" countries (USAID Geographic Code 899).

d. If USAID determines that the recipient has procured any of these specific restricted goods

under this award without the prior written authorization of the Agreement Officer, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

e. This provision will be included in all subagreements which include procurement of goods or services which total over \$5,000.

[END OF PROVISION]

7. SUBAGREEMENTS (OCTOBER 1998)

APPLICABILITY: This provision is applicable when subgrants or cooperative agreements are financed under the award.)

SUBAGREEMENTS (OCTOBER 1998)

a. Subawards shall be made only with responsible recipients who possess the potential ability to perform successfully under the terms and conditions of a proposed agreement. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources, or accessibility to other necessary resources. Awards shall not be made to firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the grantee with a copy of this list upon request.

b. All subagreements shall at a minimum contain provisions to define a sound and complete agreement in addition to those that are specifically required by any other provisions in this award. Whenever a provision within this award is required to be inserted in a subagreement, the recipient shall insert a statement in the subagreement that in all instances where USAID is mentioned, the recipient's name will be substituted. If subagreements are being made to U.S. organizations, a suggested subaward format incorporating 22 CFR 226 and standard provisions will be provided.

[END OF PROVISION]

8. LOCAL PROCUREMENT (OCTOBER 1998)

APPLICABILITY: This provision is applicable when goods or services are procured under the award.

LOCAL PROCUREMENT (OCTOBER 1998)

a. Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers, or producers, with payment normally being in the currency of the cooperating country. Regardless of which source, origin, and nationality rules in paragraph b. of the provision entitled "USAID Eligibility Rules for Goods and Services" apply, these rules may be followed for local procurement. Rules on Ineligible and Restricted goods continue to apply.

b. Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in the standard provision "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:

- (1) Locally available commodities of U.S. origin, which are otherwise eligible for financing,

if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.

(2) Commodities of Geographic Code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.

(3) Professional services contracts estimated not to exceed \$250,000.

(4) Construction services contracts estimated not to exceed \$5,000,000.

(5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:

(i) Utilities including fuel for heating and cooking, waste disposal, and trash collection;

(ii) Communications - telephone, telex, fax, postal and courier services;

(iii) Rental costs for housing and office space;

(iv) Petroleum, oils, and lubricants for operating vehicles and equipment;

(v) Newspapers, periodicals, and books published in the cooperating country;

(vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, for example, vehicle maintenance, hotel accommodations, etc.

c. The coverage on ineligible and restricted goods and services in the standard provision entitled, "USAID Eligibility Rules for Goods and Services," also apply to local procurement.

d. This provision will be included in all subagreements where local procurement of goods or services will be financed with USAID funds.

[END OF PROVISION]

9. PATENT RIGHTS (JUNE 1993)

APPLICABILITY: This provision is applicable whenever patentable processes or practices are financed by the award.

PATENT RIGHTS (JUNE 1993)

a. Definitions:

(1) "Invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

(2) "Subject invention" means any invention of the recipient conceived or first actually reduced to practice in the performance of work under this agreement.

(3) "Practical application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(4) "Made" (when used in relation to any invention) means the conception or first actual reduction to practice of such invention.

(5) "Small business firm" means a small business concern which meets the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively.

(6) "Nonprofit organization" means a university or other institution of higher education, or an organization which is not organized for profit, as described in the laws of the country in which it was organized.

b. Allocation of Principal Rights. The recipient may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the recipient retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the U.S. the subject invention throughout the world.

c. Invention Disclosure, Election of Title, and Filing of Patent Applications by Recipient.

(1) The recipient shall disclose each subject invention to USAID within two months after the inventor discloses it in writing to recipient personnel responsible for patent matters. The disclosure to USAID shall be in the form of a written report and shall identify the agreement under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological, or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to USAID the recipient shall promptly notify USAID of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the recipient.

(2) The recipient shall elect in writing whether or not to retain title to any such invention by notifying USAID within two years of disclosure to USAID. However, in any case where publication, on sale, or public use has initiated the one-year statutory period wherein valid patent protection can still be obtained in the United States, the period of election of title may be shortened by USAID to a date that is no more than 60 days prior to the end of the statutory period.

(3) The recipient shall file its initial patent application on a subject invention to which it elects to retain title within one year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The recipient shall file patent applications in additional countries within either ten months of the corresponding initial patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file

foreign patent applications where such filing has been prohibited by a Secrecy Order.

(4) Requests for extension of the time for disclosure to USAID, election, and filing may, at the discretion of USAID, be granted.

d. Conditions When the Government May Obtain Title. The recipient shall convey to USAID, upon written request, title to any subject invention:

(1) If the recipient fails to disclose or elect the subject invention within the times specified in c. above, or elects not to retain title, USAID may only request title within sixty days after learning of the recipient's failure to report or elect within the specified times.

(2) In those countries in which the recipient fails to file patent applications within the times specified in c. above; provided, however, that if the recipient has filed a patent application in a country after the times specified in c. above, but prior to its receipt of the written request of USAID the recipient shall continue to retain title in that country.

(3) In any country in which the recipient decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding on a patent on a subject invention.

e. Minimum Rights to Recipient:

(1) The recipient shall retain a nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the recipient fails to disclose the subject invention within the times specified in c. above. The recipient's license extends to its subsidiaries and affiliates, if any, within the corporate structure of which the recipient is a party and includes the right to grant sublicenses of the same scope to the extent the recipient was legally obligated to do so at the time the agreement was awarded. The license is transferable only with the approval of USAID except when transferred to the successor of that party of the recipient's business to which the invention pertains.

(2) The recipient's license may be revoked or modified by USAID to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions in the 37 CFR 404 and Agency licensing regulations (if any). This license shall not be revoked in that field of use or the geographical areas in which the recipient has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of USAID to the extent the recipient, its licensees, or its subsidiaries or affiliates have failed to achieve practical application.

(3) Before revocation or modification of the license, USAID will furnish the recipient written notice of its intention to revoke or modify the license, and the recipient shall be allowed thirty days (or such other time as may be authorized by USAID for good cause shown by the recipient) after the notice to show cause why the license should not be revoked or modified. The recipient has the right to appeal, in accordance with applicable regulations in 37 CFR 404 and Agency regulations, if any, concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of its license.

f. Recipient Action to Protect the Government's Interest:

(1) The recipient agrees to execute or to have executed and promptly deliver to USAID all instruments necessary to (i) establish or conform the rights the Government has throughout the world in those subject inventions to which the recipient elects to retain title, and (ii) convey title to USAID when requested under paragraph d. above, and to enable the Government to obtain patent protection throughout the world in that subject invention.

(2) The recipient agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the grantee each subject invention made under agreement in order that the recipient can comply with the disclosure provisions of paragraph c. above, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by c.(1) above. The recipient shall instruct such employees through employee agreements, or other suitable educational programs, on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) The recipient shall notify USAID of any decision not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response period required by the relevant patent office.

(4) The recipient agrees to include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under (identify the agreement awarded by USAID). The Government has certain rights in this invention."

g. Subagreements and Contracts: The recipient shall include this standard provision suitably modified to identify the parties, in all subagreements and contracts, regardless of tier, for experimental, developmental, or research work to be performed by a small business firm or nonprofit organization. The subrecipient or contractor shall retain all rights provided for the recipient in this standard provision, and the recipient shall not, as part of the consideration for awarding the contract or subagreement, obtain rights in the contractor's or subrecipient's subject inventions.

h. Reporting Utilization of Subject Inventions: The recipient agrees to submit, on request, periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the grantee or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the grantee, and such other data and information as USAID may reasonably specify. The recipient also agrees to provide additional reports as may be requested by USAID in connection with any march-in proceedings undertaken by USAID in accordance with paragraph j. of this provision. As required by 35 U.S.C. 202(c)(5), USAID agrees that, to the extent permitted by law, it shall not disclose such information to persons outside the Government.

i. Preference for United States Industry: Notwithstanding any other provision of this clause, the recipient agrees that neither it, nor any assignee, will grant to any person the exclusive right to use or sell any subject invention in the United States, unless such person agrees that any products

embodying the subject invention shall be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by USAID upon a showing by the recipient or its assignee that reasonable, but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States, or that under the circumstances manufacture in the United States is not commercially feasible.

j. March-in Rights: The recipient agrees that with respect to any subject invention in which it has acquired title, USAID has the right, in accordance with the procedures in 37 CFR 401.6 and any supplemental Agency regulations, to require the recipient, an assignee, or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the recipient, assignee, or exclusive licensee refuses such a request, USAID has the right to grant such a license itself if USAID determines that:

(1) Such action is necessary because the recipient or assignee has not taken or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use;

(2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the recipient, assignee, or their licensees;

(3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the recipient, assignee, or licensees; or

(4) Such action is necessary because the agreement required by paragraph i. of this clause has not been obtained or waived or because a license of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

k. Special Provisions for Awards with Nonprofit Organizations: If the recipient is a nonprofit organization, it agrees that:

(1) Rights to a subject invention may not be assigned without the approval of USAID, except where such assignment is made to an organization which has as one of its primary functions the management of inventions; provided that such assignee shall be subject to the same provisions as the recipient.

(2) The recipient shall share royalties collected on a subject invention with the inventor, including Federal employee coinventors, when USAID deems it appropriate when the subject invention is assigned in accordance with 35 U.S.C. 202(e) and 37 CFR 401.10;

(3) The balance of any royalties or income earned by the recipient with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, shall be utilized for the support of scientific research or education.

(4) It will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms, and it will give preference to a small business firm when licensing a subject invention if the recipient determines that the small business firm has

a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided, that the recipient is also satisfied that the small business firm has the capability and resources to carry out its plan or proposal. The decision whether to give a preference in any specific case will be at the discretion of the grantee. However, the recipient agrees that the Secretary of Commerce may review the recipient's licensing program and decisions regarding small business applicants, and the recipient shall negotiate changes to its licensing policies, procedures, or practices with the Secretary of Commerce when the Secretary's review discloses that the recipient could take reasonable steps to more effectively implement the requirements of this subparagraph k.(4).

I. Communications: Communications concerning this provision shall be addressed to the Agreement Officer at the address shown in this agreement.

[END OF PROVISION]

10. PUBLICATIONS AND MEDIA RELEASES (MARCH 2006)

APPLICABILITY: This provision is applicable when publications are financed under the award.

PUBLICATIONS AND MEDIA RELEASES (MARCH 2006)

a. The recipient shall provide the Agreement Officer's Technical Representative (AOTR) one copy of all published works developed under the award with lists of other written work produced under the award. In addition, the recipient shall submit final documents in electronic format, unless no electronic version exists at the following address:

Online (preferred):

dec.usaid.gov/index.cfm?p=docsubmit.submitDoc&CFID=17392230&CFTOKEN=91583381

Mailing address:

Document Acquisitions
USAID Development Experience Clearinghouse (DEC)
8403 Colesville Road, Suite 210
Silver Spring, MD 20910-6368

Contract Information

Telephone (301) 562-0641

Fax (301) 588-7787

E-mail: docsubmit@dec.cdie.org

Electronic documents must consist of only one electronic file that comprises the complete and final equivalent of a hard copy. They may be submitted online (preferred); on 3.5" diskettes, a Zip disk, CD-R, or by e-mail. Electronic documents should be in PDF (Portable Document Format). Submission in other formats is acceptable but discouraged.

Each document submitted should contain essential bibliographic elements, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) strategic objective; and 6) date of publication.

b. In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or

royalties as program income.

c. Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

[END OF PROVISION]

11. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (MAY 1986)

APPLICABILITY: This provision is applicable when work under the award is performed in the United States or when employees are recruited in the United States.

NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (MAY 1986)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this award on the basis of race, color, national origin, age, handicap, or sex.

[END OF PROVISION]

12. REGULATIONS GOVERNING EMPLOYEES (JUNE 1993)

APPLICABILITY: The following applies to the recipient's employees who are not citizens of the cooperating country.

REGULATIONS GOVERNING EMPLOYEES (JUNE 1993)

a. The recipient's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this recipient.

b. The sale of personal property or automobiles by recipient employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire USAID personnel employed by the Mission, including the rules contained in 22 CFR 136, except as this may conflict with host government regulations.

c. Other than work to be performed under this award for which an employee is assigned by the recipient, no employee of the recipient shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession, or occupation in the foreign countries to which the individual is assigned.

d. The recipient's employees, while in a foreign country, are expected to show respect for its convention, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

e. In the event the conduct of any recipient employee is not in accordance with the preceding paragraphs, the recipient's chief of party shall consult with the USAID Mission Director and the employee involved, and shall recommend to the recipient a course of action with regard to such employee.

f. The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this award of any third country national (TCN) when, in the discretion of the Ambassador, the interests of the United States so require.

g. If it is determined, under either e. or f. above, that the services of such employee shall be terminated, the recipient shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

[END OF PROVISION]

13. PARTICIPANT TRAINING (OCTOBER 1998)

APPLICABILITY: This provision is applicable when any participant training is financed under the award.

PARTICIPANT TRAINING (OCTOBER 1998)

a. Definitions: A participant is any non-U.S. individual being trained under this award outside of that individual's home country.

b. Application of ADS Chapter 253: Participant training under this award shall comply with the policies established in ADS Chapter 253, Participant Training (including TrainNet requirements), except to the extent that specific exceptions to ADS 253 have been provided in this award with the concurrence of the Global Bureau's Center for Human Capacity Development (The Center) (see ADS 253). (ADS 253 may be obtained by submitting a request to the Agreement Officer.)

c. Orientation: In addition to the mandatory requirements in ADS 253, recipients are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation, and orientation in Washington at the Washington International Center. The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the U.S. through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the Agreement Officer, who will transmit the request to NCIV through R&O/IT.

[END OF PROVISION]

14. INDIRECT COST RATES - PROVISIONAL (Nonprofit) (OCTOBER 1998)

APPLICABILITY: This provision is applicable to all recipients whose indirect cost rates under this award are on a provisional basis.

INDIRECT COST RATES - PROVISIONAL (Nonprofit) (OCTOBER 1998)

a. Provisional indirect cost rates shall be established for the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the Schedule of this award.

b. The recipient, not later than nine months after the close of each of its accounting periods during

the term of this award, shall submit to the Agreement Officer proposed final indirect cost rates with supporting cost data. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.

c. Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.

d. The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the items treated as direct costs. The agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

e. Pending establishment of final indirect cost rates for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.

f. Any failure by the parties to agree on any final rate(s) under this provision shall be considered a dispute within the meaning of the standard provision of the grant, entitled "Disputes".

[END OF PROVISION]

15. TITLE TO AND USE OF PROPERTY (RECIPIENT TITLE; OVER \$50,000) (OCTOBER 1998)

APPLICABILITY: This provision is applicable only when title to property is vested in the recipient and over \$50,000 in equipment is expected to be procured with USAID funds. Equipment is defined as any tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

TITLE TO AND USE OF PROPERTY (RECIPIENT TITLE; OVER \$50,000) (OCTOBER 1998)

a. Title to all property financed under this award shall vest in the recipient.

b. The recipient agrees to use and maintain the property for the purpose of the award in accordance with the following procedures:

(1) The recipient shall not use equipment acquired with U.S. Government (USG) funds to provide services to non-U.S. Government outside organizations for a fee that is less than private companies charge for equivalent services.

(2) The recipient shall use the equipment in the program for which it was acquired as long as needed, whether or not the program continues to be supported by USG funds and shall not encumber the property without approval of USAID. When no longer needed for the original program, the recipient shall use the equipment in connection with its other Federally-sponsored activities, in the following order of priority:

(i) Activities sponsored by USAID, then

(ii) Activities sponsored by other USG agencies.

(3) During the time that equipment is used on the program for which it was acquired, the recipient shall make it available for use on other programs if such other use will not interfere with the work on the program for which the equipment was originally acquired. User charges shall be treated as program income.

(4) When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in, or sell the equipment and use the proceeds to offset the costs of the replacement equipment, subject to the approval of the Agreement Officer.

(5) The recipient's property management standards for equipment acquired with USG funds and Federally-owned equipment shall include all of the following:

(i) Equipment records shall be maintained accurately and shall include the following information:

(A) A description of the equipment;

(B) Manufacturer's serial number, model number, USG stock number, national stock number, or other identification number;

(C) Source of the equipment, including the award number;

(D) Whether title vests in the recipient, the USG or other specified entity;

(E) Acquisition date (or date received, if the equipment was furnished by the USG) and cost;

(F) Information from which one can calculate the percentage of USG participation in the cost of the equipment (not applicable to equipment furnished by the USG);

(G) Location and condition of the equipment and the date the information was reported;

(H) Unit acquisition cost;

(I) Ultimate disposition data, including date of disposal and sales price, or the method used to determine current fair market value where a recipient compensated USAID for its share.

(ii) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

(iii) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft shall be investigated and fully documented and the recipient shall promptly notify the Agreement Officer.

(iv) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(v) Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.

(6) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards:

(i) For equipment with a current per unit fair market value of \$5,000 or more, the recipient may retain the equipment for other uses provided that compensation is made to USAID for its share.

(ii) If the recipient has no need for USAID-financed equipment, the recipient shall request disposition instructions from the Agreement Officer.

(A) If so instructed or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse USAID its share. The recipient shall be permitted to deduct and retain from the USAID share \$500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.

(B) If the recipient is instructed to ship or otherwise dispose of the equipment, the recipient will be reimbursed by USAID for reasonable expenses incurred in disposition.

c. USAID reserves the right to transfer the title to USAID or a third party. The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing by the Agreement Officer. When USAID exercises its right to take title, the equipment shall be subject to the standard provision entitled "Title to and Care of Property" (U.S. Government Title).

d. Within 90 calendar days after the date of completion of the award, the recipient shall submit an inventory of all property with the final performance report. The final inventory shall list all equipment acquired with award funds or received from USAID.

e. Title to supplies and other expendable equipment shall vest in the recipient upon acquisition. If there is a residual inventory of new/unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other U.S. Government-sponsored project or program, the recipient may retain the supplies but must compensate USAID for its share. The recipient shall not use supplies acquired with USAID funds to provide services to outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by U.S. Government statute as long as the U.S. Government retains an interest in the supplies.

f. Recipients shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with Federal funds, as provided to property owned by the recipient.

g. If the purchase of real property (meaning land, land improvements, structures, and appurtenances thereto) is supported under the award, separate instructions will be provided to the recipient by the Agreement Officer.

[END OF PROVISION]

16. COST SHARING (MATCHING) (JULY 2002)

APPLICABILITY: This provision is applicable when the recipient is required to provide a matching share or to cost share.

COST SHARING (MATCHING) (JULY 2002)

a. During the period of this award, the recipient agrees to spend funds from non-U.S. Government sources in an amount at least equal to the amount or percentage of the total expenditures under this award specified in the schedule of the award. The schedule of this award may also contain restrictions on the application of cost sharing (matching) funds. The schedule of the award takes precedence over the terms of this provision.

b. Eligibility of non-U.S. Government funds applied to satisfy cost sharing (matching) requirements under this award are set forth below:

(1) Charges incurred by the recipient as project costs. Not all charges require cash outlays by the recipient during the project period; examples are depreciation and use charges for buildings and equipment.

(2) Project costs financed with cash contributed or donated to the recipient by other non-U.S. Government organizations (may include public international organizations (PIO) or foreign governments and institutions, private organizations, or individuals), and

(3) Project costs represented by services and real and personal property, or use thereof, donated by other non-U.S. Government agencies and institutions, and private organizations and individuals.

c. All contributions, both cash and in-kind, shall be accepted as part of the recipient's cost sharing (matching) when such contributions meet all of the following criteria:

(1) Are verifiable from the recipient's records;

(2) Are not included as contributions for any other U.S. Government-assisted program;

(3) Are necessary and reasonable for proper and efficient accomplishment of project objectives;

(4) Are types of charges that would be allowable under the applicable Federal cost principles;

(5) Are not paid by the U.S. Government (USG) under another grant or agreement (unless the grant or agreement is authorized by USG law to be used for cost sharing or matching);

(6) Are provided for in the approved budget when required by USAID; and

(7) Conform to other provisions of this paragraph.

The source, origin and nationality requirements and the restricted goods provision established in the standard provision entitled "USAID Eligibility Rules for Goods and Services" do not apply to cost sharing (matching) expenditures.

d. Values for recipient in-kind contributions will be established in accordance with the applicable Federal cost principles.

e. Specific procedures for the recipient in establishing the value of in-kind contributions from non-U.S. Government third parties are set forth below:

(1) Valuation of volunteer services: Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Volunteer services may be counted as cost sharing or matching, if the service is an integral and necessary part of an approved program.

(i) Rates for volunteer services: Rates for volunteers should be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient's organization, rates should be consistent with those paid for similar work in the labor market in which the recipient competes of the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(ii) Volunteers furnished by other organizations: When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs) provided these services are of the same skill for which the employee is normally paid.

(2) Valuation of donated supplies: Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to expendable personal property included in the cost (matching) share shall be reasonable and shall not exceed the market value of the property at the time of the donation.

(3) Valuation of donated equipment, buildings, and land or use thereof:

(i) The method used for charging cost sharing or matching for donated equipment, buildings, and land for which title passes to the recipient may differ according to the purpose of the award as follows:

(A) If the purpose of the award is to assist the recipient in the acquisition of equipment, buildings, or land, the total value of the donated property may be claimed as cost sharing or matching.

(B) If the purpose of the award is to support activities that require the use of equipment, buildings, or land; normally only depreciation or use charges for equipment and buildings may be made. However, the full value of equipment or other capital assets and fair rental charges for land may be allowed provided that the USAID Agreement Officer has approved the charges.

(ii) The value of donated property will be determined in accordance with the usual accounting policies of the recipient with the following qualifications:

(A) Land and buildings: The value of donated land and buildings shall not exceed its fair market value, at the time of donation to the recipient as established by an independent appraiser (for example, certified real property appraiser or General Services Administration representative) and certified by a responsible official of the recipient.

(B) Equipment: The value of donated equipment shall not exceed the fair market value of equipment of the same age and condition at the time of donation.

(C) Use of space: The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.

(D) Loaned equipment: The value of loaned equipment shall not exceed its fair rental value.

f. The following requirements pertain to the recipient's supporting records for in-kind contributions from third parties. With the authorization of the Agreement Officer, the recipient may attribute cost share contributions from subrecipients to the prime award.

(1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the recipient for its employees.

(2) The basis for determining the valuation for personal services, material, equipment, buildings, and land shall be documented.

g. Individual expenditures do not have to be shared or matched provided that the total expenditures incurred during the year (or funding period) are shared or matched in accordance with the agreed upon amount or percentage set forth in the schedule of the award.

h. If at the end of the funding period hereunder, the recipient has expended an amount of non-U.S. Government funds less than the agreed upon amount or percentage of total expenditures, the Agreement Officer may apply the difference to reduce the amount of USAID funding for the following funding period, or, if this award has expired or been terminated, may require that the recipient refund the difference to USAID.

i. If the recipient fails to act in good faith to meet the cost sharing (matching) requirements set forth in paragraph a. above, the Agreement Officer may consider it sufficient reason to terminate this

award for cause in accordance with the Standard Provision of this award entitled "Termination and Suspension".

j. The restrictions on the use of USAID funds set forth in the standard provisions of this award are applicable to expenditures incurred with USAID funds provided under this award. Except for the requirements of this standard provision, the restrictions set forth in the standard provisions of this grant are not applicable to costs incurred by the recipient from non-U.S. Government funds. The recipient will account for the USAID funds in accordance with the standard provision of this award entitled "Accounting, Audit, and Records"; however, in the event of disallowances of expenditures from USAID award funds, the recipient may substitute expenditures made with funds provided from non-U.S. Government sources, provided they are eligible in accordance with all the standard provisions of this award.

k. Notwithstanding paragraph b. of the standard provision of this award entitled "Refunds", the parties agree that in the event of any disallowance of expenditures from USAID award funds provided hereunder, the recipient may substitute expenditures made with funds provided from non-Federal sources provided they are otherwise eligible in accordance with paragraph b. of this provision.

[END OF PROVISION]

17. PUBLIC NOTICES (JUNE 1993)

APPLICABILITY: This provision is applicable when the Agreement Officer's Technical Representative (AOTR) or Strategic Objective (SO) Team determines that the award is of public interest and requests that the provision be included in the award.

PUBLIC NOTICES (JUNE 1993)

It is USAID's policy to inform the public as fully as possible of its programs and activities. The recipient is encouraged to give public notice of the receipt of this award and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

"The U.S. Agency for International Development administers the U.S. foreign assistance program providing economic and humanitarian assistance in more than 80 countries worldwide."

The recipient may call on USAID's Office of External Affairs for advice regarding public notices. The recipient is requested to provide copies of notices or announcements to the Agreement Officer's Technical Representative (AOTR) and to USAID's Office of Legislative and Public Affairs as far in advance of release as possible.

[END OF PROVISION]

18. PROGRAM INCOME (OCTOBER 1998)

APPLICABILITY: This provision shall be applicable when Program Income is earned under the award.

PROGRAM INCOME (OCTOBER 1998)

a. The recipient shall apply the standards set forth in this provision to account for program income earned under the award.

b. Program Income earned during the project period shall be retained by the recipient and, in

accordance with USAID regulations, other implementing guidance, or the terms and conditions of the award, shall be used in one or more of the following ways:

(1) Added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives.

(2) Used to finance the non-U.S. Government share of the project or program.

(3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the U.S. Government (USG) share of costs is based.

c. When the agreement authorizes the disposition of program income as described in paragraph b.(1) or b.(2) of this section, program income in excess of any limits stipulated shall be used in accordance with paragraph b.(3) of this section.

d. If the terms and conditions of the award do not specify how program income is to be used, paragraph b.(2) of this section shall apply automatically; program income in excess of the cost share amount may be applied in accordance with paragraph b.(1). Recipients which are commercial organizations may not apply paragraph b.(1) of this section.

e. Unless the terms and conditions of the award provide otherwise, recipients shall have no obligation to the USG regarding program income earned after the end of the project period.

f. Costs incident to the generation of program income may be deducted from gross income to determine program income; provided these costs have not been charged to the award and they comply with the applicable Cost Principles.

g. Unless the terms and conditions of the award provide otherwise, recipients shall have no obligation to the USG with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Amendments (35 U.S.C.18) apply to inventions made under an experimental, developmental, or research award.

[END OF PROVISION]

19. PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (JUNE 1999)

APPLICABILITY: This provision is applicable where performance of the award will take place in "Covered" Countries, as described in ADS 206.

PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (JUNE 1999)

a. USAID reserves the right to terminate assistance to, or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR 140.

b. For any loan over \$1,000 made under this agreement, the recipient shall insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall or refund by the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as

defined in 22 CFR 140.

c. Upon notice by USAID of a determination under section (1) and at USAID's option, the recipient agrees to immediately cancel, accelerate, or recall the loan, including refund in full of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.

d. The recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a subrecipient designated by USAID ("Designated Subrecipient") until advised by USAID that: (i) any USG review of the Designated Subrecipient and its key individuals has been completed; (ii) any related certifications have been obtained; and (iii) the assistance to the Designated Subrecipient has been approved. Designation means that the subrecipient has been unilaterally selected by USAID as the subrecipient. USAID approval of a subrecipient, selected by another party, or joint selection by USAID and another party is not designation.

e. The recipient shall insert the following clause, or its substance, in its agreement with the Designated Subrecipient:

"The recipient reserves the right to terminate this [Agreement/Contract] or take other appropriate measures if the [Subrecipient] or a key individual of the [Subrecipient] is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR 140."

[END OF PROVISION]

20. INVESTMENT PROMOTION (NOVEMBER 2003)

APPLICABILITY: The following clause is required for grants and cooperative agreements when the program includes gray-area activities or investment-related activities where specific activities are not identified at the time of obligation but could be for investment-related activities, as described in ADS 225 (see 225.3.1.8)

INVESTMENT PROMOTION (NOVEMBER 2003)

a. Except as specifically set forth in this award or otherwise authorized by USAID in writing, no funds or other support provided hereunder may be used for any activity that involves investment promotion in a foreign country.

b. In the event the recipient is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether the activity would be consistent with the limitation set forth above, the recipient must notify the Agreement Officer and provide a detailed description of the proposed activity. The recipient must not proceed with the activity until advised by USAID that it may do so.

c. The recipient must ensure that its employees and subrecipients and contractors providing investment promotion services hereunder are made aware of the restrictions set forth in this clause and must include this clause in all contracts and other subagreements entered into hereunder.

[END OF PROVISION]

21. REPORTING OF FOREIGN TAXES (MARCH 2006)

APPLICABILITY: This provision is applicable to all USAID agreements that obligate or subobligate FY 2003 or later funds except for agreements funded with Operating Expense, Pub. L. 480 funds, or trust funds, or agreements where there will be no commodity transactions in a foreign country over the amount of \$500.

REPORTING OF FOREIGN TAXES (MARCH 2006)

- a. The recipient must annually submit a report by April 16 of the next year.
- b. Contents of Report. The report must contain:
- (i) Contractor/recipient name.
 - (ii) Contact name with phone, fax and e-mail.
 - (iii) Agreement number(s).
 - (iv) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year.
 - (v) Only foreign taxes assessed by the foreign government, in the country receiving U.S. assistance, is to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance program for Lesotho involves the purchase of commodities in South Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa).
 - (vi) Any reimbursements received by the recipient during the period in (iv) regardless of when the foreign tax was assessed and any reimbursements on the taxes reported in (iv) received through March 31.
 - (vii) Reports are required even if the recipient did not pay any taxes during the report period.
 - (viii) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.
- c. Definitions. For purposes of this clause:
- (i) "Agreement" includes USAID direct and country contracts, grants, cooperative agreements, and interagency agreements.
 - (ii) "Commodity" means any material, article, supply, goods, or equipment.
 - (iii) "Foreign government" includes any foreign governmental entity.
 - (iv) "Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.

d. Where. Submit the reports to: [insert address and point of contact at the Embassy, Mission, or FM/CMP as appropriate (see b. above) [may include an “optional with a copy to”].

e. Subagreements. The recipient must include this reporting requirement in all applicable subcontracts, subgrants, and other subagreements.

f. For further information see www.usaid.gov/policy/ads/300/302mac.pdf.

[END OF PROVISION]

**22. FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES
(JANUARY 2002)**

APPLICABILITY: Include this provision in agreements funded from the following accounts:

- Development Assistance, including assistance for sub-Saharan Africa,
- Child Survival and Disease Programs Fund, and
- Micro and Small Enterprise Development Program Account.

**FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES
(JANUARY 2002)**

Funds in this agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government’s delegation to an international conference sponsored by a Public International Organization (PIO), except as provided in “Guidance on Funding Foreign Government Delegations to International Conferences,” or as approved by the Agreement Officer.

[END OF PROVISION]

23. USAID DISABILITY POLICY - ASSISTANCE (DECEMBER 2004)

APPLICABILITY: This provision must be included in Request for Applications (RFAs), and in awards.

USAID DISABILITY POLICY - ASSISTANCE (DECEMBER 2004)

a. The objectives of the USAID Disability Policy are (1) to enhance the attainment of United States foreign assistance program goals by promoting the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2) to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3) to engage other USG agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities; and (4) to support international advocacy for people with disabilities. The full text of the policy paper can be found at the following Web site: pdf.usaid.gov/pdf_docs/PDABQ631.pdf

b. USAID therefore requires that the recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the

objectives of the USAID Disability Policy in performing the program under this grant or cooperative agreement. To that end, and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women, and children with disabilities.

[END OF PROVISION]

[END OF STANDARD PROVISIONS]