



USAID
FROM THE AMERICAN PEOPLE

February 10, 2014

Mr. Peter Saling
Director of Programs,
Volunteers for Economic Growth Alliance
1726 M ST NW
Suite 800
WASHINGTON, DC 20036-5026

Subject: Cooperative Agreement No. AID-279-L-14-00001

Dear Mr. Saling:

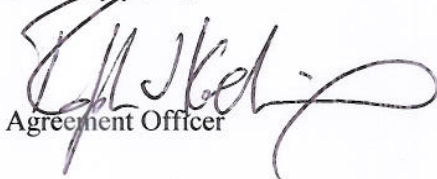
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) hereby awards to VEGA, hereinafter referred to as the "Recipient", the sum of \$24,499,449 to provide support for a program in the Yemen Competitive Agriculture Systems for High Value Crops as described in the Schedule of this award and in Attachment B, entitled "Program Description."

This Cooperative Agreement is effective and obligation is made as of the date of this letter and shall apply to expenditures made by the Recipient in furtherance of program objectives during the period beginning with the effective date 02/10/2014 and ending 02/09/2019. USAID will not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This Cooperative Agreement is made to the Recipient VEGA, on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A (the Schedule), Attachment B (the Program Description), and Attachment C (the Standard Provisions), all of which have been agreed to by your organization.

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the Cooperative Agreement, and return the original and all but one copy to the Agreement Officer.

Sincerely yours,



Agreement Officer

Attachments:

- A. Schedule
- B. Program Description
- C. Standard Provisions
- D. Branding and Marking Plan
- E. Travel Schedule

ACKNOWLEDGED:

BY: _____
TITLE: _____
DATE: _____

ACCOUNTING AND APPROPRIATION DATA

A. GENERAL

1. Total Estimated Amount: \$24,499,449
2. Total Obligated Amount: \$1,060,000
3. Activity: Yemen Competitive Agriculture Systems for High Value Crops
4. USAID Technical Office: USAID/Yemen
5. Tax I.D. Number: 04-3772759
6. DUNS Number: 13-6470-8992
7. Letter of Credit: B2164P1

B. SPECIFIC

REQ no. REQ-279-14-000003

C. PAYMENT OFFICE

U.S. Agency for International Development
M/FM/CMP/GIB
Letter of Credit
1300 Pennsylvania Ave., NW
Ronald Reagan Bldg, Room 7.07
Washington, DC 20523-7700

Attachment A -Schedule

A.1. PURPOSE OF AWARD

The purpose of this Associate Cooperative Agreement (ACA) is to provide support for the program described in Attachment B to this ACA entitled "Program Description."

A.2 PERIOD OF AWARD

1. The effective date of this Award is February 10, 2014. The estimated completion date of this Award is February 09, 2019.

A.3 AMOUNT OF AWARD AND PAYMENT

1. USAID hereby obligates the amount of \$24,499,449 for purposes of this Award.
2. Payment shall be made to the Recipient in accordance with provisions entitled "Advance Payment and Refunds (June 2012)"" or "Reimbursed Payment and Refunds (June 2012)."
3. USAID hereby obligates the amount of \$1,060,000 for program expenditures during the period set forth in A.2.2 above and as shown in the Budget below. The Recipient will be given written notice by the Agreement Officer if additional funds will be added. USAID is not obligated to reimburse the Recipient for the expenditure of amounts in excess of the total obligated amount.
4. Payment shall be made to the Recipient in accordance with the provisions entitled "Advance Payment and Refunds (June 2012)"" or "Reimbursed Payment and Refunds (June 2012)."

A4 AWARD BUDGET

The following is the Award Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with the Mandatory Standard Provisions entitled "Amendment of Award and Revision of Budget (August 2013)."

Line Item	Year 1	Year 2	Year 3	Year 4	Year 5	Grand Total
Labor	981,453	1,328,114	1,362,107	1,183,623	965,114	5,820,411
Travel	135,048	122,087	126,592	121,950	91,444	597,121
Supplies	64,725	19,313	0	0	0	84,038
Other Direct Costs	295,615	263,305	249,956	246,498	327,021	1,382,394
Training	16,500	15,450	15,914	5,464	5,628	58,955
Equipment	137,000	0	0	0	0	137,000
Contractual (Sub Awards)	1,358,915	2,423,134	2,720,714	2,565,657	1,623,045	10,691,466
Subtotal	2,989,257	4,171,403	4,475,283	4,123,192	3,012,251	18,771,385
NICRA Indirect	770,104	1,040,991	1,077,875	951,246	759,045	4,599,261

Subtotal	3,759,361	5,212,393	5,553,158	5,074,438	3,771,297	23,370,647
VEGA G&A	181,577	251,759	268,218	245,095	182,154	1,128,802
Grand Total	3,940,938	5,464,152	5,821,375	5,319,534	3,953,450	24,499,449

Subawards to Aid to Artisans and Coffee Quality Institute are not approved until they are registered in the System for Award Management (SAM)

A.5 REPORTING MONITORING AND EVALUATION

1. General Requirement

- (a) The Recipient shall comply with the Standard Provisions set forth in Attachment C of this Agreement entitled “Submissions to the Development Experience Clearinghouse and Publications” and “Marking and Public Communications under USAID-Funded Assistance.” All reports shall be in English.
- (b) All reporting and data must be delineated sector support—commercial, small scale and vulnerable household or based on agreement during development of the work plan
- (c) All reports shall be submitted by the due date for approval by the AOR. In case of multiple implementers such as joint ventures or consortia, the Recipient shall submit a single report consolidating all partners’ activities, progress towards results, and analysis of impact.
- (d) All financial reporting and data must be delineated by the budget set forth in Section A.5 Award Budget.

2. Programmatic Reporting

(1) Program Planning Reports

(A) Annual Work-Plans

- (i) No later than 45 days prior to the beginning of each fiscal year, the Recipient shall submit electronically to the AOR a draft annual work-plan with a detailed budget for each subsequent year. Recipient shall submit the first annual work plan within 120 days of award of this agreement.
- (ii) Each annual work-plan shall cover one calendar year or portion thereof depending the ending date of the agreement. (NOTE: The first annual work-plan must at least cover one complete calendar year—twelve months.) The work-plan will describe activities to be conducted at a greater level of detail than Attachment B (Program Description) of this Agreement, but shall be cross-referenced with the applicable sections in the Program Description. All work-plan activities must be within the scope and objectives of this Agreement. Work-plans shall not change such scope and objectives or any other terms and conditions of this Agreement in any way; such changes may only be approved by the Agreement Officer, in advance and in writing. Thereafter, if there are inconsistencies between the work-plan and the Program Description or other terms and conditions of this Agreement, the latter will take precedence over the work-plan. The work-plans shall include the tasks to be completed during the year, grouped under the three targeted markets – commercial, small scale and vulnerable

households, for example, that they seek to support. Final decision on reporting will be discussed when developing the work plan. For each task, the Recipient should 1) explain in brief its connection to the market; 2) define the necessary steps to complete the tasks; 3) assign responsibilities for completing those steps; 4) provide any quantitative or qualitative targets; and 5) a timeline for the implementation of the task. The plan should indicate the legal/regulatory issues that the Recipient will target for that year. The work-plans will also include the Recipient's planned international travel, as described in paragraph (a)(1) of the Standard Provision set forth in Attachment C of this Agreement entitled Travel and International Air Transportation."

- (iii) Within 30 days of award of this agreement, USAID/Yemen (or Representative) and Recipient, including sub-recipient Land O'Lakes, will conduct a pre-performance expectations-setting meeting. Preference is for this meeting to be face-to-face, but other options are acceptable. The pre-performance meeting will cover general administrative information regarding the agreement, to include reporting requirements and close out of the agreement, performance, monitoring and evaluation requirements, substantial involvement of USAID/Yemen during execution of the agreement, and other topics and issues specifically related to the execution of this agreement, to include discussion of preferred method for execution.
- (iv) Within 90 days following the pre-performance expectations-setting meeting, the Recipient shall submit a draft annual work-plan for review. The AOR shall review the draft annual work plan and shall provide comments within 15 days from receipt. Thereafter, the Recipient shall submit an electronic copy (and a hard copy if requested and it is possible) of the final work plan within 5 days of receipt of the AOR's comments to the AOR for approval. AOR approval or additional comments will be provided within 15 days after receipt of revised work-plan. Following the AOR's approval, the Recipient may commence with the project.
 - a. During the development of the work plan, the Recipient should initiate activities that include analysis, administrative set up, etc. Selection of pilot activities and other key aspects of the project should be reviewed with the AOR and be concurred with via "Technical Direction" letters until the first work plan is reviewed and approved in order to move quickly with the project.
- (v) Annual work plans for subsequent years are due to the AOR 60 days before the end of the preceding award year (electronic copy and if requested and it is possible a hard copy). Annual work plans should include all the sections as the initial work plan discussed above. In addition, the subsequent fiscal work plans shall review the activities of the year that is ending, the activities that were implemented, the results achieved, and problems that existed and how they were resolved. These subsequent annual plans shall propose program adjustments to reflect any lessons learned. As with the first annual plan, the AOR will review the plan and provide comments and recommendations for changes no later than 15 days after receipt of the

draft. The Recipient shall incorporate AOR comments and recommendations into the final version of Work Plan and submit it for AOR written approval within 15 days. In addition, all substantial changes in Work Plan require prior written approval of the AOR.

(2) Performance Monitoring Reports

(A) Notifications

When required due to unforeseen events, the Recipient shall submit an electronic copy (and a hard copy if requested and is possible) to the AOR of notifications (in writing), within 15 days of the Recipient's knowledge of impact, as follows:

- (i) Developments which have a significant impact on the activities supported by this Agreement; and
- (ii) Problems, delays, or adverse conditions which materially impair the ability to meet the objectives of this Agreement. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the problem.

(B) Performance Management and Evaluation Plan (PMEP)

- (i) The Recipient shall submit a hard and electronic copies (if requested and it is possible a hard copy) to the AOR and to USAID/Yemen's Monitoring and Evaluation Specialist, of a Performance Management & Evaluation Plan (PMEP) no later than September 30, 2014. The Performance Monitoring and Evaluation Plan (PMEP), which must establish specific impact indicators, annual targets, progress benchmarks for the life of the award, and the date by which all baseline data should be established. All people-level indicators must be disaggregated by gender. The Recipient and USAID will agree upon the final choice of performance indicators useful for timely management decisions and credibly reflecting the actual performance of the project. Recipient should explain how the PMEP will be implemented. PMEP data should meet reasonable quality criteria of validity, reliability, timeliness, precision and integrity, and disaggregated by gender whenever possible. In designing the PMEP, the Recipient should also weigh human and financial resources necessary to implement it. The PMEP is subject to final approval by USAID/Yemen's M&E specialist, the AOR and the Technical Office Director and is separate from the regular financial and other reports required by the standard contract provisions.
- (ii) USAID is required to report on Feed the Future indicators. USAID reserves the right to propose the Recipient to integrate into the PMEP a number of indicators to help USAID measure the immediate program results. All information collected for the PMEP shall be compiled and submitted to USAID with the annual and final reports. Annual reports shall be due by the end of the fiscal year – by September 30th of each year. Additionally, the progress in meeting the expected program results will be monitored through Work Plans.

- (iii) Since Yemen is a critical priority country, security limits the movement of US Government Direct Hire staff. To facilitate the development of the PMEP and monitor and evaluate the results, USAID/Yemen has a “Third Party Monitoring” Contractor who supports the Mission in performing this function. The Recipient will work with the USAID/Yemen Third Party Monitoring contractor to meet monitoring and evaluation requirements.

(C) Quarterly Program Performance Reports

- (i) The Recipient shall submit an electronic copy (and if requested and it is possible a hard copy) of a concise and brief quarterly program performance report to the AOR. In case of multiple implementers such as joint ventures or consortia, the Recipient shall submit a single quarterly report which consolidates activities and analyses of all partners into one document.
- (ii) Reporting periods are fiscal quarters, or parts thereof.
- (iii) The due-date for these program performance reports is not later than 30 days after the end of each reporting period.
- (iv) The reports shall contain the following information at the minimum:
 - a) A brief description of the social, food security and economic context and/or enabling environment of the areas in which program activities are implemented. This section may include significant and/or relevant events reported in the press or by local informants which affect the overall implementation environment. This section is important for establishing the overall environment for implementation and is useful for considering how changes in the environment that may affect program implementation.
 - b) An analytical description of overall program progress towards results that reflects and synthesizes achievements of all partners. This should not be a description of activities from each partner, but rather a broader analysis that examines the progress of all partners in the context of program objectives and expected results.
 - c) A summary of activities conducted by all organizations under the Associate Award. This section should highlight which partner has conducted activities, and include a description of progress towards results and relevant trends.
 - d) Data on all indicators established in the PMEP; data should be disaggregated by gender;
 - e) A comparison of accomplishments to the goals and objectives established for the period;

- f) Problems encountered, reasons why established goals were not met, if appropriate, and how challenges or problems will be overcome during the next reporting period;
- g) A comparison of actual expenditures with budget estimates, including analysis and explanation of cost overruns or high unit costs, and any other pertinent information; and,
- h) Priorities for programming during the next reporting period.

(D) Annual and/or Final Results Report

- (i) Annual reports are due 30 days after the end of the fiscal year..
- (ii) The final report shall be submitted no later than 90 calendar days after the expiration of the award. Reference 22 CFR 226.51. The final report shall also consolidate activities and analyses of all partners into one document and their activities and progress towards results. The final performance report shall contain the following information:
 - a) An executive summary of the accomplishments and results achieved;
 - b) An in-depth analysis of progress and results that contributed towards program objectives. This section should clearly describe activities, major accomplishments and results achieved, including results for all of the activities under the associate award;
 - c) Final data, compared to baseline data, for all indicators included in the monitoring and evaluation plan for this award's activities. This section should include disaggregated data by gender.
 - d) A summary of problems/obstacles encountered during the implementation, and how those obstacles were addressed and overcome if appropriate;
 - e) Lessons learned, best practices, and other findings from each of the components of this award, along with recommendations for future programming under each of the program objectives;
 - f) A comparison of actual expenditures with budget estimates, including analysis and explanation of cost overruns or high unit costs, and any other pertinent information.
 - g) In accordance with the Standard Provision set forth in Attachment 3 of this Agreement entitled "Submissions to the Development Experience Clearinghouse and Publications," the Recipient shall also submit one copy, either on-line (preferred) or by mail, of the annual and final Results Report to the Development Experience Clearinghouse (DEC). The Recipient must review the DEC website for submission instructions, including document formatting and the

types of documents to submit. Submission instructions can be found at: <http://dec.usaid.gov>.

(E) Property Reports

The following are the reporting and notification requirements related to property financed or provided hereunder:

(1) Loss, Damage, or Theft

As a condition for this award, the Recipient shall promptly notify the Agreement Officer and the AOR of the loss, damage, or theft to equipment funded by USAID under this Award. Such losses shall be investigated and fully documented.

(2) Request for Disposition Instructions

In accordance with 22 CFR 226.32(c) and 22 CFR 226.34(g), the Recipient shall request disposition instructions from the Agreement Officer when the Recipient has no need for USAID-financed real property, or equipment with a current per-unit fair market value of \$5,000 or more, on the program financed hereunder (regardless of whether USAID continues to fund the program) or on other USAID-funded or U.S. Government-funded programs, and does not wish to retain the equipment for other uses and compensate for its share.

(3) Final Equipment and Real Property Inventory Report

In accordance with 22 CFR 226.34(h)(2), the Recipient shall submit one copy of a final inventory report to the AOR, listing all real property and equipment acquired with USAID funds provided under this Agreement or received from USAID for use under this Agreement. This report shall be submitted not later than 90 days from the completion date of this Agreement.

(3) Financial Reporting

(1) Quarterly/Final Financial Reports:

The Recipient shall submit an original and two copies. Financial Reports shall be in keeping with 22 CFR 226.52. In accordance with 22 CFR 226.52, the SF 425 will be required on a quarterly basis. The recipient shall submit the SF425 via electronic format within 45 calendar days following the end of each quarter. A copy of this form shall also be submitted at the same time to the AOR.

A.6 DELIVERABLES

- a. The Recipient will submit an initial first year work plan for USAID's review and approval within four months (120 days) from the award of the Agreement. An outline for a five-year work plan will be submitted within 120 days of the signing of the award. (PLEASE REFER TO THE REPORTING SECTION OF THIS AWARD FOR GUIDANCE ON THE WORK PLAN PROCESS AND TIMELINE.) The Work plan will include a general timeframe and description of activities that are intended to address and achieve the specific objectives of the program as follows:

- o The final first-year work plan, incorporating the AOR's comments, shall be delivered to the AOR not later than 5 business days after comments are provided to the Recipient. This plan must be approved by the AOR so further revisions may be required.
 - o The first-year work plan will explain how competition, transparency and feedback mechanisms will figure into the activity.
 - o The Recipient shall provide an outline of a five-year work plan within four months of the Cooperative Agreement award.
 - o Within 12 months a Grants Manual will be submitted.
- b. The Recipient shall submit subsequent annual work plans as specified in the "Reporting" section of this Cooperative Agreement award of the project to the AOR. The Recipient will incorporate the AOR's comments into the revised plans, no later than 5 business days after comments are provided to the Recipient by the AOR.

Annual review of work plans will provide USAID an opportunity to update information and provide collaborative input as appropriate on specific activities, sites of operation, expected results and milestones for each 12-month period. This information is an essential element of effective USAID project and program management. These plans will form the basis for an annual management review by USAID and program staff to review program directions, achievements and the prior year work plan objectives and major management and implementation issues, and to make recommendations for any changes as appropriate. Approval of the work plan will also provide USAID an opportunity to ensure that proposed activities are in conformance with statutory requirements. The work plan will include the list of activities to be implemented during that year. Any significant changes to the list of approved activities will require additional approval.

- c. The Recipient will work closely with the AOR in order to develop relevant indicators for measuring and reporting on outputs and impacts of the activities described in the Agreement. The Performance Monitoring and Evaluation Plan will specify indicators and baseline data and target -- and requisite monitoring arrangements -- to measure and report progress toward meeting the program objectives set forth in this Cooperative Agreement. This plan will be submitted to USAID Yemen by September 30, 2014.

A.7 BRANDING STRATEGY AND MARKING PLAN

In accordance with the Standard Provision set forth in Attachment C of this Agreement entitled "Marking and Public Communications Under USAID-Funded Assistance," the Recipient's Branding Strategy and Marking Plan are incorporated into this Agreement as Attachment D hereof. Accordingly, paragraph (c) of said Standard Provision does not apply.

This award shall not be considered approval of the possible presumptive exemption and waiver discussed in said plan. Any approvals of presumptive exemptions and waivers will have to be processed separately.

A.8 INDIRECT COST RATE FOR VEGA

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases:

Type	Effective Period		Indirect Cost Rates	
	From	Through	Fringe (a)	G&A (b)
Provisional	01/01/13	Until Amended	28.34%	4.83%

Base of Application:

- (a) Total labor costs
- (b) Total cost incurred excluding G&A

A.9 INDIRECT COST RATE FOR LAND O’LAKES

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases:

Type	Effective Period		Indirect Cost Rates			
	From	Through	Fringe (a)	Overhead (b)	G&A expense (c)	Subcontract Handling and Equipment procurement
Provisional	01/01/12	Until Amended	54.50%	51.50%	8.90%	5.80%

Base of Application

- (a) Total labor dollars of all U.S. paid employees
- (b) Total direct costs excluding subcontract /sub recipient, loans, commodities and freight (including ocean, inland, and internal transport storage and handling) related to Title II Commodities. Effective January 1, 2010 the base of application is total direct US labor, direct local labor, associated fringe applied to labor, living quarters allowance, post differential allowance, and other allowances
- (c) Total costs excluding G&A costs, subcontract /sub recipient, equipment over \$5,000, commodities and freight (including ocean, inland, and internal transport storage and handling) related to Commodities
- (d) Total subawards costs (i.e., subcontract/subgrant). Effective January 1, 2010 the base of application is total subawards costs (i.e. subcontract/subgrant), and equipment over \$5,000

A.10 INDIRECT COST RATE FOR IESC

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs

shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases:

Type	Effective Period		Indirect Cost Rates			
	From	Through	Fringe (a)	Overhead (b)	G&A expense (c)	Subcontract Handling and Equipment procurement
Provisional	01/01/12	Until Amended	54.50%	51.50%	8.90%	5.80%

A.11 TITLE TO PROPERTY

Property Title will be vested with the Recipient.

A.12 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this award is 937.

A.13 PROGRAM INCOME

The Recipient shall account for Program Income in accordance with the Standard Provision entitled "Program Income (June 2012)." Program Income earned under this award shall be added to the project.

A.14 SUBSTANTIAL INVOLVEMENT

USAID Yemen anticipates a close working partnership with the implementing partner. USAID's substantial involvement in this program will extend to those items identified below. The Agreement Officer herein delegates the following approvals list to the Agreement Officer's Representative (AOR) in accordance with the ADS Chapter 303.3.11:

- a. Approval of Recipient’s Work Plans including monitoring and evaluation plans.
- b. Approval of specified key personnel assigned to the positions listed below. The personnel currently listed have been approved. All changes thereto must be submitted for the approval by the Agreement Officer Representative and Agreement Officer.

Title	Name
Chief of Party	Carson Coleman
Value Chain Advisor	Matt Tokar

- c. Agency and recipient collaboration or joint participation:

Participation as needed on selection committees for the review and selection of sub-grants. USAID's Agreement Officer will provide concurrence on the substantive provisions of sub-awards and subcontracts. USAID's approval of sub-award recipients is already required in accordance with 22 CFR 226.25 and such approval is not part of substantial involvement.

Coordination with Overall Mission Programming: Monitoring to permit direction or redirection because of interrelationships with other Projects so as to promote synergy and resilience especially in regard to supporting the transition of humanitarian assistance to sustainable economic development. Yemen is a volatile environment that may require adjustments in Mission programming to meet Foreign Assistance objectives. The Mission will work with the Recipient through the work plan approval process to define program objectives, activities and outcomes. However, should emergency situations arise, the Mission reserves the right to coordinate with the Recipient to adjust programming in a manner required to promote stability and resilience.

- d. **Agency Authority to immediately halt a construction activity:** Review and approval of the detailed engineering plans for any rehabilitation/ reconstruction activities contemplated under the Grants Component of the Cooperative Agreement. The Mission reserves the right to halt any particular construction activity where the identified specifications are not met.

Attachment B – Program Description

1. PROBLEM STATEMENT

Yemen is fully dependent on international markets for access to food with 90 percent of its main food staple, wheat, imported. This situation puts the country at risk of negative market shocks especially the 70 percent of the population in rural areas. The World Food Program (WFP) 2012 Comprehensive Food Security Survey indicates that high food prices affected almost every household with 90 percent of those surveyed citing a decreasing ability to buy food. These households are responding by limiting the quantity and quality of their diet, and are accumulating debt, an indication of worsening coping response. More than 45 percent of Yemeni households had food-related debt, half the children were chronically malnourished, second globally only to Afghanistan, and the proportion of underweight children was the third highest in the world. According to WFP: “ Poor households in Yemen are now experiencing a profound deterioration in purchasing power, the economy has contracted leading to increased unemployment and underemployment, food prices have faced strong inflation and the overall cost of living has risen steeply.” While food is available in the local markets, families need increased income with which to buy basic food staples.¹ The majority of the food insecure population is in rural areas and the WFP cites the need to increase rural incomes as a critical response to food insecurity.

“The poorest people are the most vulnerable; Food prices have risen dramatically; The quality of diet has fallen sharply; Coping strategies have become more widespread and more severe; Families have limited the quantity and quality of their diet, and are accumulating debt to do so; One-quarter of all food is bought using borrowed money; Malnutrition rates are soaring; Civil unrest is exacerbating food insecurity; Water shortages and qat cultivation and consumption are limiting agricultural potential.”

**World Food Program 2012
Comprehensive Food Security Survey**

According to the National Agriculture Sector Strategy (NASS) prepared by the Ministry of Agriculture and Irrigation, three major constraints to increased rural incomes include (1) low agricultural productivity, (2) limited market access, and (3) lack of access to investment capital. These constraints are critical in that nearly one-third (31 percent) of the households work in agriculture, and almost 40 percent of agriculture wage laborers are food insecure (only households depending on Social welfare Fund had a higher percentage of food insecure). Half of all fruits and vegetables produced are sold at market; finding ways to increase returns to producers on key commodities (coffee, fruits and vegetables, honey and livestock) will increase rural livelihoods and their ability to buy food in the local market. The key will be in finding ways to overcome key constraints in productivity, market access, and investment capital.

Low Agricultural Productivity – More than 50 percent of Yemen’s 7 million person workforce is employed in agriculture; improvement in productivity and quality has the potential to increase rural incomes. A World Bank study indicates that the productivity of Yemeni agriculture (particularly crops) is at least 50% lower than Middle Eastern countries with comparable environments. Irrigation systems are inefficient, with 50-65 percent irrigated water being wasted. Quality issues arise in coffee and horticulture due to inadequate post-harvest processing and drying facilities. Low production complicated

¹ “The State of Food Security and Nutrition in Yemen” 2012 Comprehensive Food Security Survey, World Food Program. Interviews with the WFP Country Director for Yemen in October 2012 indicated that the primary constraint on food security in Yemen is the decreasing purchasing power families are experiencing through reduced wage opportunities and increasing food prices.

by post-harvest losses limits the economic impact of Yemen's agricultural sector.

Limited Market Access – Agriculture exports constitute less than 9 percent of total exports (\$551 million in agriculture exports out of \$6.4 billion total) -- market share of high value markets (domestic and international) is decreasing in coffee and honey. Both coffee and honey have traditionally been high value export commodities, but because of inconsistent quality and lack of traceability, Yemen's market shares have decreased. There is a critical need for quality certification and confirmation of origin for unique products such as a "Seder" honey and "Haraz" coffee. Supporting quality improvements and origin verification can increase the value of Yemeni coffee and honey.

Lack of Access to Investment Capital – The commercial banking sector is not effectively investing in the agriculture sector. According to the International Finance Corporation, loans require high interest rates (up to 60% annually) and banks can request collateral (preferably housing and land) up to 400% of loan size. Farmers have limited access to credit, but there is a nascent micro-finance sector that could provide capital for small scale adoption of improved farming technology.

Other critical challenges facing Yemen are: (1) food insecurity is a severe problem across the country with almost half the population classified as "food insecure" by the WFP; (2) the need to empower women to increase their contribution to the national economy and the increased well-being of their families; (3) heightened insecurity fueled by separatists movements in the north and south of the country as well as a growing presence of Al Qaeda of the Arabian Peninsula (AQAP); and (4) lack of water is a major constraint to sustainable agriculture – any intervention in the sector must address access to water as primary objective.

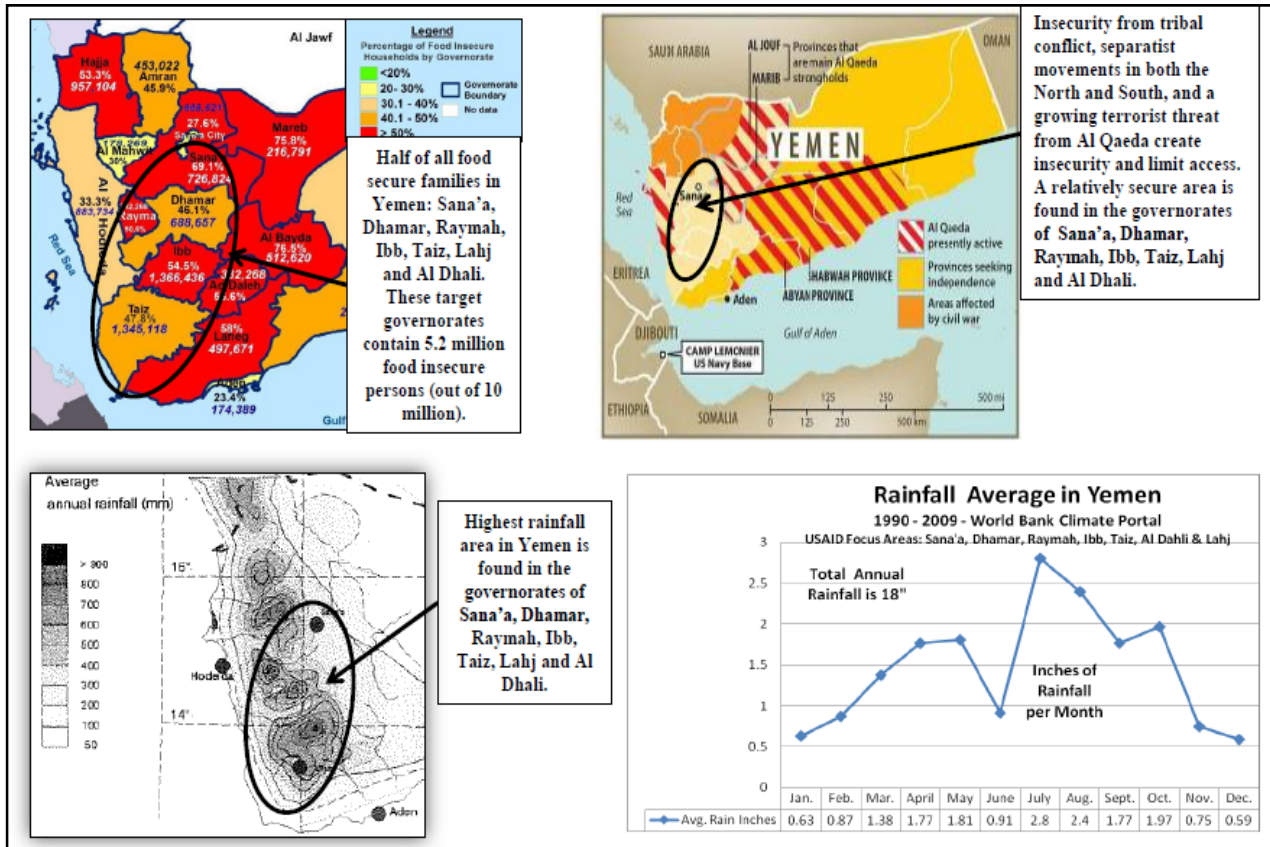
Food Insecurity - Poor households in Yemen are now experiencing a profound deterioration in purchasing power, the economy has contracted leading to increased unemployment and underemployment, food prices have faced strong inflation and the overall cost of living has risen steeply. In order to address this critical food security issue, the CASH project will target its activities in the seven governorates containing the over half of all food secure families in Yemen: Sana'a, Dhamar, Raymah, Ibb, Taiz, Lahj and Al Dhali. These target governorates contain 5.2 million food insecure persons (out of a total of 10 million food insecure in Yemen).

Gender - The role of women in mitigating nutrition impacts in Yemeni is particularly constrained due to limited participation in the labor force; only 7% of women work for pay compared to 61% for men. In rural areas, the percentage of women working for wages goes down to 5%. Although unpaid female labor is prevalent in agriculture, the control of assets and the ability to provide for family nutrition and health needs is limited. Economic mobility constraints on women include lack of access to government services, markets, training and credit. Finding ways to empower women and provide them with access to increased family resources is important to reaching the CASH project goal of improving food security.

Insecurity - Yemen is faced with an increasingly complex security situation that is complicated by an ongoing humanitarian crisis. AQAP emerged after the death of Osama bin Laden (whose father was born in Yemen) and increased attacks on major national fuel and gas pipelines and security forces targets. Food prices in some governorates were particularly impacted by insecurity. Another outcome from conflict areas is limited access by ROYG officials and INGO employees. While the security situation remains fluid, the central highlands area remains relatively secure and accessible (Sana'a, Dhamar, Raymah, Ibb, Taiz, Lahj and Al Dahli).

Water - Yemen is ranked the seventh most water stressed country in the world and categorized as an “extreme risk” for investment.² Not only is water, the critical limiting factor for increased agriculture, being withdrawn from aquifers at 123 percent above the recharge rate, but population growth is on track to double its by 2035; both these factors, decreasing water resources and increasing demand from population growth, indicate that more and more water will be dedicated to domestic use over the coming years. Finding ways to increase rainwater harvesting and micro-irrigation will become increasingly important as water prices increase and current flood irrigation systems (other than qat) are squeezed out of profitable production.

In order to address critical food insecurity, water, accessibility and gender issues activities are needed in



the seven governorates with significant food insecurity, the highest levels of precipitation, and some of the greatest agriculture production potential in Yemen (i.e., high value agriculture products are produced in these governorates including coffee, vegetables, fruits, honey and livestock): Sana'a, Dhamar, Raymah, Ibb, Taiz, Lahj and Al Dhali. These activities should: (1) design programs to address production, marketing constraints, and promote competitive enterprise models that strengthen small-scale farmer opportunities for with the overall goal of increasing productivity, lowering production costs and increasing rural incomes; (2) identify key markets and develop strategies to access these markets by creating equitable partnerships that strengthen agriculture value chains and provide increased returns to all participants; and (3) create mechanisms to leverage private investment in the agriculture sector as well as increase capital investments of Republic of Yemen Government (ROYG) and Other Donors. There overall focus should be on creating synergy for innovative models that can be scaled up as their effectiveness is proven with a goal of linking small holder agricultural production to lucrative markets.

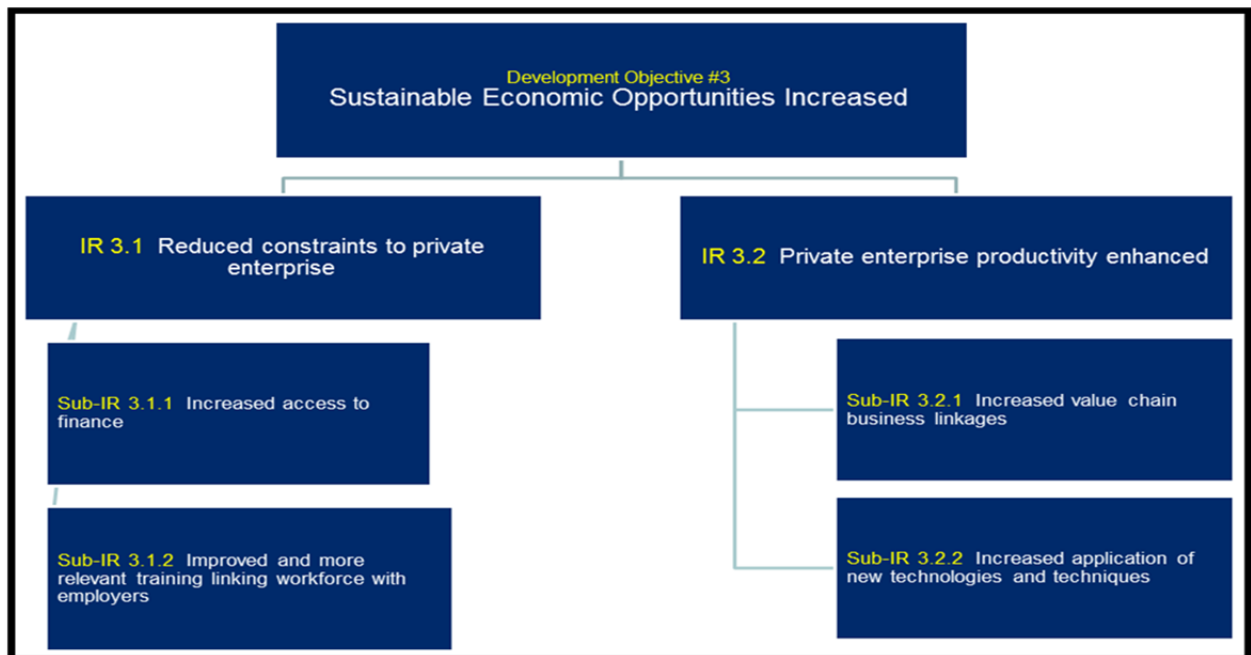
² Maplecroft Corporation – Risk Management for International Investment. - http://maplecroft.com/about/news/water_stress_index.html

PROGRAM GOALS, OBJECTIVE AND OUTCOMES

The Competitive Agriculture Systems for High Value Crops (CASH) will increase sustainable economic opportunities and decrease food insecurity in Yemen by supporting Yemeni men and women producers, processors, and exporters to cultivate and maintain strong, trusting relationships with high value markets. CASH will elevate Yemen’s reputation as a source of high quality, reliable coffee and honey for commercial value chains. For small-scale markets, the program will bolster vertical and horizontal linkages and build trust between value chain actors. CASH will also reduce production costs by introducing new technologies and advising on ways to conserve water. It will facilitate graduating vulnerable households from food assistance and improve food security and nutrition across the seven governorates. In order to reduce constraints on private enterprise, CASH will increase agriculture productivity by promoting new technology and techniques, improve workforce quality through targeted training, promote market access by improving value chain linkages and creating strategic partnerships. Access to finance will be enhanced through the identification and implementation of credit programs for agriculture enterprises.

CASH will build on relationships and proven practices that USAID and other donors have developed and leverage efforts that the ROYG has begun through its Social Funds for Development (SFD).

By Year 5, CASH will train more than 14,000 small and medium producers on best agricultural technologies and management practices that will ultimately increase agricultural productivity and income by 50 percent during the life of project. The program will facilitate the establishment of 350 producer organizations that will benefit its members from vertical and horizontal linkages leading to a 30 percent increase in gross margins for farm commodities. Through technical assistance and training to support host government and private sector investments, CASH will create and promote private sector-led investments systems, export niche markets and/or distribution channels contributing to a 5 percent annual growth in volume and value of products in selected value chains. Finally, an estimated 2,000 new on- and off-farm jobs will be created, 50 percent of which will go to vulnerable populations and women.



IMPLEMENTATION

Actions under the CASH project will be in three phases:

1. Phase One – Take appropriate actions to analyze market opportunities, review analytical work and implementation experience conducted to date on value chains by USAID Yemen. This would include analyzing ongoing activities of USG funded humanitarian assistance partners, Other Donors, ROYG entities and the private sector. Analysis was also be done on gender, water scarcity and conflict triggers in the CASH geographic areas Timing: (Three Months)
2. Phase Two – Develop short-term proof of concept pilot activities that target key markets, identify constraints on production, processing and/or marketing and implement activities aimed at showing near term impact on incomes, profitability and sustainability of enterprise models that link small scale producers to high value markets. Special attention will focus on promoting efficient water storage and use strategies. Timing: (One Year)
3. Phase Three - Design and initiate implementation value chain strengthening activities that delineate market opportunities, define support activities, and create a framework and strategic approach for shared value partnerships between producers, wholesalers, exporters and buyers in domestic, regional and/or international markets. Key aspect of these activities will be their sustainability and links to dynamic, high value markets. Once value chains, production areas and producer groups are identified, baseline data would be collected to measure impact on Feed the Future indicators. Timing: (Years Two - Five)

The CASH Project theory of change is that USAID funded activities can help create high value, lucrative markets for Yemeni agricultural products and link smallholder producers to these markets with premium prices for their production. The potential for high prices and greater income will encourage farmers to adopt cost effective practices to increase the production and quality of key products, participate in marketing of these products, increase their family incomes, and utilize the additional incomes to purchase food thus improving the family's food security and increasing sustainable economic opportunities. The key to implementing this approach is the need to identify the most appropriate value chains, conduct proof of concept pilot activities to confirm their potential and applicability, and design a long term strategy to promote key value chains.

Phase 1: Project Analytics (Months 1 through 3)

In the first three months, CASH will focus on conducting a variety of analyses to obtain an accurate picture of on-the-ground realities in order to be fully prepared for its pilots in Year 1 and ready for scale-up in Years 2 through 5.

End Market Analysis. As any value chain begins with demand, CASH will first identify the end markets for Yemeni coffee, horticulture, livestock and honey. The project will draw on the analyses from the Community Livelihoods Project (CLP), completed in July and August 2013, as a base, and also draw on export data from the World Bank and the International Coffee Organization, as well as other industry sources. CASH will identify buyers – with names and addresses – to understand the volume, quality, grades and standards, packaging, and price requirements that they demand for each product. For national and local markets, the project will then map catchment areas for each value chain from among the seven governorates. CASH will analyze market size, buyers' willingness and ability to pay, the availability of export and risk management financial services, humanitarian aid per governorate, infrastructure and security concerns. The analysis will include an assessment of previous donor MIS programs to identify the best partners and approaches to

sustainably improve information flows on price and quality requirements within the target value chains. Together, this information will provide an estimate of the target end markets.

Access to Finance Analysis. Drawing on the recommendations of the Yemen Economic Growth Appraisal by USAID/Asia and the Middle East Economic Growth and Best Practices, IESC will conduct a three-week study interviewing the major financial service institutions involved in agricultural credit in Yemen to assess their level of involvement, capacities, and most importantly their willingness to assist potential borrowers they do not typically serve, particularly women farmers. IESC will work with the Value Chain Development Team to interview financial services providers in CASH's value chains. These efforts will provide a sense of demand for services and help determine which financial services institutions actually have the capacity and willingness to assist CASH beneficiaries. The Value Chain Development Team's efforts will also provide information on the level of internal value chain finance provision, such as in-kind credit from input providers and advance payments from wholesale buyers of agricultural products.

Cost-Benefit Analysis. Next, CASH will conduct a cost-benefit analysis (CBA) to ascertain quantitatively where USAID's investment will yield the greatest returns for all stakeholders, particularly smallholders and women. For each opportunity identified in the end market analysis, the CBA will determine the investment required – both in physical infrastructure and labor cost – to scale up to meet market demand. Similarly, the access to finance analysis will identify the prospective investors' hurdle rate (return that the investors require) so that CASH can identify where external financing can best be applied (and thus, mitigate the direct cost to USAID). The CBA will enable us to compare interventions to facilitate disciplined decision-making.

Gender Analysis. With support from Land O'Lakes' practice manager for gender, food security, and livelihoods, and drawing on our Gender Analysis Toolkit and USAID's 2011 report, "Assessing Youth and Gender Programming in Yemen," and the recently drafted, "Yemen Gender Analysis Report," CASH will draft a gender analysis specific to the activities and geographic area envisioned in this Program Description. This analysis will detail the context-specific program-level gender issues that may affect program implementation, beneficiary participation and outcomes. The analysis will provide a deeper understanding of gender issues at the community and household levels in CASH target areas and in Yemen as a whole. The project will examine how cultural practices (e.g., restrictions on women's mobility), verbal and psychological abuse, gender-based violence, and early marriages affect women's ability to contribute to household decisions, make autonomous choices and manage assets. CASH will produce a gender action plan as part of the gender analysis final report; this plan will guide implementation during Phases 2 and 3.

Environmental Analysis/Water Resource Study. CASH will identify a Yemeni partner, such as HYDRO-Yemen, to assess water use across value chains and governorates. The project will also coordinate closely with USAID funded FewNet program on developing a water balance framework to assess the water productivity in agriculture. Assessment findings will aid the project in finalizing pilots and identifying innovations and opportunities for more efficient water use (e.g., drip irrigation). CASH will also identify opportunities to influence behavior change, establishing the mindset that water is a key valuable input, and that using it properly can yield higher profits and better livelihoods. The project will measure water productivity throughout the project.

Conflict Triggers Analysis. CASH will also conduct a conflict triggers analysis, by examining the external political factors that may impact the project and the potential conflicts that could be triggered by CASH's bolstering of value chains – particularly those that cross tribal lines or rely on inter-tribal cooperation. After the end market analysis details where the markets are located, the catchment areas for each value chain, and the infrastructure investment required, CASH will model potential conflict triggers in these locations, assess power dynamics between tribes regarding whether a demonstrated income increase in one area will lead to conflict with others. Other factors will be assessed such as how the pending increase in returnees from Saudi Arabia

will impact stability, whether increased empowerment of women risks gender-based domestic violence or backlash from religious fundamentalists, and other factors.

Household Nutrition and Income Use Analysis. CASH will analyze household nutrition and how household income is allocated in the seven target governorates. For quantitative data, the project will use random sampling to set a nutritional baseline among project participants and non-participants. CASH will consider average household income, employment status, food accessibility, and receipt of humanitarian assistance (if any). CASH will also conduct semi-structured interviews, with either individuals or focus groups, and combine these with observations such as transect walks and visualization techniques such as mapping, seasonal calendars, ranking exercises, time charts and Venn diagrams. This will enable the project to understand people's food habits and related beliefs, food entitlements and existing constraints, and the role that different family members make regarding nutrition (household food security, water, health and care). CASH will identify food insecure groups in the target governorates, describe the nutritional status of girls/women and children younger than five, and compare the nutritional status of these groups to the non-target population. After the baseline, the project will develop a set of trigger data points and levels that will help us monitor if household nutrition level targets are changing. Our mitigation and monitoring plan will measure the impact of CASH objectives in all three value chains and participating groups, as well as model how these groups would have fared if no activities had been implemented. Finally, CASH will develop a nutritional impact assessment toolkit to monitor progress during Phases 2 and 3.

Phase 2: Proof of Concept Pilots (Year One)

Based on the data from Phase 1, CASH will launch several pilot activities to test the three value chain approaches (commercial, small scale and vulnerable). In each, CASH see opportunities to improve engagement of women. Together with USAID, CASH will evaluate the potential pilot activities which will result in: improved productivity, expanded markets and trade, increased agriculture investment, and increased employment in the strategic value chains, particularly for women. Below, CASH detail how CASH would conduct pilot activities in coffee, horticulture, honey, livestock and handicrafts value chains. The final pilots will be determined in consultation with USAID.

Commercial Value Chain Pilot: Specialty Coffee Quality Enhancement for Export Market Expansion.

In 2013, the Coffee Quality Institute (CQI) conducted a USAID coffee value chain assessment that identified key interventions to improve Yemen's coffee sector. Leveraging Yemen's excellent reputation for coffee, CQI has designed a comprehensive pilot that will position Yemen's specialty coffee sector to meet international quality standards and return premium prices to producers.

The pilot program will include the following:

Coffee Buyer Mission. CQI will invite specialty coffee buyers (see box) for a five-day promotion and education campaign to Sana'a and Taiz Governorates to meet producer associations and exporters such as the Women's Association of Talooq, Shabir Al- Ezzi, Al Hamdani, and Fee Coffee. At these meetings, buyers will seek to discover and cup specialty coffee lots, and to negotiate business on the spot. The buyer mission combines education with promotion by putting the expertise of foreign coffee buyers to work while they learn about the unique properties of Yemeni coffee. For farmers, the mission provides an excellent opportunity to understand buyers' purchasing criteria. Buyers will pay their own way to Yemen, as their interest is to establish direct trade relationships with farmers.

Q Coffee System. To increase the quality and consistency of Yemeni coffee, CQI will implement the Q Coffee

System.³ CQI will deliver training in Q grading, resulting in a cadre of professionally licensed cuppers who will assure that the quality and consistency of Yemeni coffee matches international standards. The Economic Development Fund has also expressed its interest in supporting the Q trainings.

Cup Profiling, DNA Fingerprinting and Traceability Program. With a local service provider, CQI will create an informational tool that informs buyers about suppliers and flavor profiles. This information could be shared with international buyers interested in a particular cup profile or region. CASH will use GPS technology to map profiles of coffee by region, including coordinates, soil and weather data, and elevation. The tool will also mitigate adulteration by providing potential collectors, exporters, or buyers with genetic markers to trace the product back to the farmer or area of production, so the risk of buying non-Yemeni adulterated coffee is diminished. This system will help the industry to identify the volume and quality produced in the different regions of Yemen. CASH will consider making the tool available on an association website. The traceability program should be scaled up to other regions once the pilot project is completed.

Farm Production and Processing Training. CQI will train farmer groups from whom buyers express interest in sourcing on best agricultural practices for coffee production and processing. Topics will include efficient use of resources (water, soil, shade trees, density per hectare); agronomy (plant renovation, pest and disease management, using organic fertilizers and improved pruning techniques); and drying (low cost drying beds, standardization and identification of proper ripeness) and will result in improved quality, consistency, and price of coffee delivered for final processing.

Phase 3 will scale the above interventions, while adding complementary activities such as linking farmers to international markets through commercial missions (e.g., participation at Specialty Coffee Association of America Expo) and local competitions (e.g., Cup of Excellence); supporting the development of a Yemeni Coffee Development Agency; and supporting coffee consumption through training local baristas and roasters.

Commercial Value Chain Pilot: Honey Quality Certification for Export Market Expansion.

Yemen produces some of the world's highest quality honey. Its Sidr, Salam, Sumar, and Maryee varieties enjoy particularly strong demand. Because of the high domestic demand and because the value chain works sufficiently to meet it, few Yemeni firms have sought international markets. As such, there are opportunities for export market development and for a greater role for women and youth in the sector, especially those with little or no land holdings. CASH will engage women in export-oriented honey value chain activities. While men tend to dominate apiculture in Yemen today, worldwide, women thrive as beekeepers, and there are opportunities to encourage and promote Yemeni women as producers to serve high value export markets.

CASH will invite existing women's groups to be trained in technical, business, and organizational skills to maintain beehives and to produce high quality honey within the socio-cultural norms of Yemeni society. Special efforts will be made to encourage sedentary management of beehives and honey production, such as around Sidr or Sumar forests, since men currently migrate with their hives. Women and youth will also act as community-based trainers and quality control agents who would actively work with their households and neighbors to ensure that standards are followed during production and processing. As women's honey groups gain access to export markets, CASH will create a communications strategy to raise awareness of these successes and create a demonstration effect that pulls other women into the sector.

³ CQI's *Q Coffee System* is an internationally recognized program for evaluating cup quality, based on a standardized system using the Specialty Coffee Association of America protocols. It is a proven mechanism to increase the value and volume of coffee exports by creating a common language for quality that links quality sellers with quality buyers. The key components of this system are certification of professional cuppers as licensed Q graders, building the capacity of an in-country partner to manage and oversee the Q instructor program, and implementing Q grading services on a national scale.

Quality Trademark Seal. CASH will support joint efforts of the YSMO within the Ministry of Trade and the World Bank-funded Economic Opportunity Program to establish a trademark for Yemeni honey. This trademark will build on the efforts of the YSMO with leaders from the Yemen Honey Cluster to develop quality standards to protect the industry and access diversified export markets. In Phase 3, CASH will also scale up industry capacity building support in HACCP, ISO standards, honey standards and organic certification.

Packaging and Handling Study Tour to Turkey. CASH will facilitate a study tour to honey processors in Turkey, the world's second largest producer of honey. Turkey has a robust, modern packaging industry, from which Yemeni exporters could learn about the appropriate handling practices and packaging materials as honey moves from farm to consumer. CASH will engage key industry stakeholders and beekeepers associations in our target governorates to modernize practices according to market expectations.

Small-Scale Value Chain Pilot: Horticulture Productivity for Local and Urban Markets.

While Yemeni farmers are producing fruits and vegetables for urban markets, the quality of fresh produce needs to be improved to compete for market share with high quality imports and return higher incomes to farmers. Yemeni smallholder yields of the major fruits and vegetables are only 40 to 60 percent of what could be achieved simply by applying more intensive methods of production, including adopting modern farm management practices and improved technologies, such as hybrid seeds. Informed by initial analytics and specific end market opportunities, CASH will select several crops that have the ability to compete with qat (including grapes, tomatoes, cucumbers, capsicum, onion, okra and strawberries) for pilot activities. These activities will focus on strengthening relationships along the input supply marketing system, improving productivity and quality at the farm level, and facilitating improved efficiencies all along the output marketing system.

Pilot Demonstration Sites. Building on the CLP's eight greenhouse demonstration sites, CASH will pilot a sustainable public-private sector extension model based on Land O'Lakes' innovative Answer Plots® approach. CASH will set up sites owned and operated on a profitable basis by community-based water management associations. These learning platforms will engage private sector input supply companies, business service providers and government extension agents to demonstrate the gains in productivity that can be realized by smallholder farmers who adopt improved farm management practices and new technologies. Managed by male and female agronomists trained by input supply companies, these sites will demonstrate efficient water use, including innovative rainwater harvesting techniques, solar and drip irrigation, recycling of household or community water, complementary greenhouses and tunnels for horticulture and proper agronomic practices for hybrid seeds.

Mainstreaming Participation of Women. CASH will facilitate the up-take of new technology by women's groups through the use of smart subsidies so that women can gain access to and then cooperatively manage tunnels or plastic greenhouses for the commercial production of fruits and vegetables. CASH will encourage wholesale supply companies to train enterprising women and youth as field agents and/or representatives to give "follow-up" training and advice to farmers adopting new technology.

Product Aggregation. CASH will strengthen the ability of water management associations and male and female farmer-based organizations to act as bulking agents for their members. CASH will mobilize local service providers to strengthen producer groups' ability to manage their associations or organizations in a business-like manner so that bulk input supply contracts can be negotiated and high quality grades and standards can be demonstrated, taught and rewarded with price incentives.

Small-Scale and Vulnerable Value Chain Pilot: Livestock Fattening and Marketing.

Women and girls in Yemen traditionally provide daily care of family livestock such as watering, feeding and monitoring for disease, pregnancy, birthing or illness. However, women do not participate in herding or marketing activities and consequently do not benefit financially from their labors and knowledge. Land O'Lakes will undertake a pilot study aimed at increasing women's benefit from livestock production and marketing. This will both help increase women's incomes and ultimately improve household nutrition.

Form Livestock Marketing Associations. Targeting small-scale value chain and vulnerable farm types referred by current humanitarian assistance programs, CASH will form three women's livestock marketing associations. Using our AgPrO curriculum as a guide (Activity 1.4), they will build trust and group cohesion; learn the principles of marketing and business management; and, as needed, literacy and numeracy training. Women will be guided through the process of selecting suitable animals, negotiating prices and developing a marketing plan. Because of the pilot's short nature, women will be encouraged to fatten animals for 60 to 90 days before selling them.

Deliver Technical Training. Throughout the pilot, women will participate in a series of integrated training sessions focused on planned production and marketing. Training will cover the selection of quality animals, improved husbandry practices with emphasis on animal nutrition and feeding, and basic animal health practices. Interwoven into all trainings will be core human nutrition messages to improve the link between income and purchase of nutritious foods.

Develop Microcredit Facility. IESC will work with a local, rural financial institution to develop and pilot a loan product specific to the needs of women traders purchasing livestock (e.g., goats and sheep) for fattening and re-sale. The pilot activities will entail researching demand, concept design and planning, and field testing in two to three branches. Issues that will need to be addressed include lack of supplemental collateral, adapted procedures and paperwork, cultural issues (e.g., lack of acceptance by male family members), and potential livestock losses. IESC will work closely with the CASH Value Chain Advisory Team and the livestock marketing associations to assist in the initial product design (which may include mandatory insurance) and to convince the financial partner how the related project activities will reduce repayment and market risks.

Before scaling up the activity, Land O'Lakes will assess the business model based upon costs of production and final market prices.

Vulnerable Value Chain Pilot: Handicraft Value Chain for Female-Headed Households.

For centuries, a diversified craft industry flourished in Yemen, producing daggers, swords, gold and silver articles, jewelry, woven fabrics and pottery. Over the last six decades, the craft sector has been overrun by inexpensive imports from Asia and other Arab states. The Yemeni Ministry of Culture has begun to revitalize arts and crafts. The renovation of the artisan quarter in Sana'a has been widely promoted, and the work of artisans is planned to be featured at events and festivals aimed at attracting tourists. By cultivating the handicraft market in Yemen and abroad, CASH can generate jobs and additional income for vulnerable women in agricultural regions, while minimizing the use of scarce water resources.

High-end Design and Marketing. An Aid to Artisans (ATA) international design and marketing specialist will assess available materials and propose designs for gift baskets based on traditional designs. These baskets will be updated to respond to needs of target markets including upscale hotels and gift shops, as well as possibly for export. Baskets will be designed in a way that women in rural female-headed households, who may only be able to work part time from home, can produce them. The baskets will be labeled "Handmade in Yemen" and include background information and photos of the artisans.

Linked to Target Value Chains. The CASH craft pilot will use local agricultural byproducts and other earthen materials to produce baskets woven from braided palm fronds, grasses and other local plants and foliage. The craft pilot will assist women to produce gift baskets for coffee and honey products, capitalizing on demand generated from other project activities.

Technical and Business Skills. An ATA business trainer will train 20 moderately vulnerable women identified through agricultural associations or referred by existing humanitarian programs. Women will be trained in natural dyeing using local organic materials; new weaving, braiding and coiling techniques; new basket shapes and color combinations; and efficient production methods and quality control. Each trainee will produce a number of first-quality baskets to be filled with agricultural and artisanal items. At the same time, women will be trained in craft entrepreneurship and business skills such as costing and pricing, re-investment of profits, merchandising and display, and marketing. Special attention will be paid to gender strategies allowing women to not only earn additional income, but to keep their earnings and use them to improve economic security and nutrition for their families.

Phase 3: Commercialize and Scale Select Value Chains (Years Two-Five)

Based on the data from the Phase 1 analyses and the lessons learned from the Phase 2 pilots, CASH will garner a clearer idea of which value chains can be brought to scale, and how to do so. In Phase 3 CASH will cultivate those market opportunities. The following three components illustrate the demand-driven nature of the program, CASH will start with the Market Access Component and follow with Value Chain Development and Access to Finance components.

Component 1: Market Access and Development.

For Yemen to build transparent, sustainable value chains, the firms and individuals that make up those chains must have incentives to form transparent, mutually beneficial relationships. In Component 1, CASH will cultivate those markets and develop Yemen's capability to meet them.

Activity 1.1: Build Cluster Working Groups as the Basis of the Value Chains. CASH will link groups together based on their capabilities, proximity to one another and willingness to become part of the value chain. Cluster Working Group (CWG) members will consist of modern input suppliers, agricultural extension agents, farmers, pickers, packers, shippers, storage providers, wholesalers and retailers. CASH will also include stakeholders who may be one step removed from the actual value chain, but who nonetheless provide key inputs (e.g., financial service and other business service providers such as quality control companies). As appropriate, CASH will identify opportunities to integrate women into CWGs, such as through women-only meetings or through representation at NGO meetings.

Through the CWGs, CASH will facilitate the strengthening of a sustainable ecosystem on which they can thrive through mutual collaboration and cooperation to reach their respective markets. CASH will work through BDS providers and NGOs in each governorate to convene meetings of each CWG. At these meetings, each CWG will create cluster action plans (CAPs) for their respective value chains, discuss any issues or constraints to value chain growth, and ultimately generate a five-to-10-year vision. This vision will direct CASH, private-sector, and ROYG investments in each value chain. This collaborative approach will help each CWG sequence the actions and aggregate input and transport linkages, create common marketing strategies, approach financial institutions for credit, and build members' capacity to adopt new innovations and become more creditworthy. By placing the CWGs at the center of the value chains, CASH will foster Yemeni ownership and facilitate relationships that will make the value chains sustainable.

Activity 1.2: Engage in Export Promotion Activities (Trade Shows, Trade Missions, Study Tours and Business to Business Events). Phase 1 will determine the export markets that are most promising for Yemeni products. Here, CASH will help Yemeni associations and lead firms facilitate those trade linkages. For instance, 700 grams of Sidr honey currently sells for approximately \$270 in Dubai. The project will focus initially on distributors in Dubai, whose low entry barriers (taxes and inspection) allow better access to the re-export markets in the region, as well as similar Gulf markets, such as Abu Dhabi and Doha (where the SFD and its Marna' Talha Center for Marketing has announced plans to open a Yemeni-Qatari heritage center and sell Yemeni handicrafts). CASH will also facilitate relationships through a combination of trade show participation, trade missions, study tours, and business to business networking events. For coffee trade shows, the project will consider the Coffee, Tea, and Cocoa Global Industry Expo (COTECA) in Hamburg, Germany and the Specialty Coffee Association Annual Meeting in the United States. For honey, the focus will be on the Gulf Food Exhibition in Dubai, the Fine Food India Export, the Anuga Trade Fair or the Fancy Food Show in New York. CASH will also examine the possibilities to export to online retailers (e.g. igourmet.com) that target smaller buyers such as delis and specialty shops. For handicrafts, CASH will look into Beckmans Handicraft Gift Show in Chicago or the Creative Work Fair in Germany.

Prior to each event, CASH will mentor participants on product design, quality and pricing; guide them on the selection of samples; help them develop tailored marketing materials and devise strategies to generate larger orders. The project will also design study tours with promising participants. For example, for the horticulture value chain, a tour to Nairobi, Kenya could be an effective way to learn from best practices in cold chain storage and marketing of fruits and vegetables to the EU.

Export Trade Training. Market information and exposure to buyers is a critical aspect of facilitating trade, it is important that new opportunities are coupled with the capacity to meet international and private sector standards. A new market linkage will only be sustainable if the supplier is able to meet client expectations in terms of quantity, quality, timeliness and price. Program interventions under this core activity will facilitate market linkages and trade capacity by: disseminating information on GSP/EBA eligible products and requirements; assisting suppliers to meet international trade certification (e.g., organic, GLOBALG.A.P., HACCP, fair trade, etc.); providing technical and managerial training to meet buyer quality expectations and improve productivity; sponsoring business forums, roundtable discussions, and other outreach events to investors; and engaging in other business partnerships along the value chain. Technical assistance and sector-specific trainings will be tailored to the needs identified during the proof of concept pilot stage and in action plans from the CWGs.

Activity 1.3: Develop Market Information Systems (with Traceability). In Yemen, existing market information infrastructure is limited and data quality varies from governorate to governorate. A market information system (MIS) is a set of procedures and methods to gather, store, and distribute information on market prices, production, current demand, tenders, etc. A reliable system allows rural producers, processors, traders, and exporters to make informed decisions on production, market opportunities, available input supplies and potential partnerships. MIS is also an important aspect of any traceability and quality assurance program.

To address this need, IESC will build on the experience of IFAD and the World Bank to improve the quality of data supplied through the current government system. CASH will also explore opportunities for public-private partnerships with SMS providers to increase access to the service. CWGs will be important partners in designing a system that is responsive to their needs. Illustrative tactics are outlined below.

Business and Farmer Associations. CASH will work with producer and export associations to provide market information to its members on price, good agriculture practices, information on inputs and new equipment technologies. Given that these associations already have a reach into rural communities, their participation in

any MIS program would enhance the sustainability of the initiative.

SMS Market Information. In partnership with Spacetel Yemen, Sabafon, or other local telecom providers, IESC will create a SMS MIS that can give producers direct access to the buyers and coordinate collection points. Data would be sent via SMS with information on company name, contact details and type of product the producer/buyer is looking to supply or purchase. This information will then be gathered and entered into a database that both producers and buyers can access, enabling them to negotiate prices and quantities directly. Business associations can set up bulking centers at strategic places within communities, which will allow producers to pool their product, set up collection points, access quality, and negotiate better prices based on quantity/quality factors. The initiative could be financed through a start-up grant and/or cost share from the ROYG, the private sector or other donors.

MIS Radio. With MAI, agriculture associations, and the private sector, CASH will explore developing a radio program that provides market information to farmers/producers. The program would address information on improved techniques, nutrition, and other subject matters that would enhance the popularity of the program.

Activity 1.4: Build up Producer Organizations and Farmer Groups. CASH will facilitate building the capacity of the producer organizations whose members supply the value chains. Based on data from our analyses and lessons from the pilots, Land O'Lakes will train BDS providers and NGOs in our AgPrO methodology. By going to the BDS providers first and enabling them to build the farmer groups' capacity, CASH will foster sustainable, long-term relationships between service providers and customers. AgPrO will enable the BDS providers to build producer organizations' capacity in areas such as general governance structure (including female representation in leadership positions), comprehensive record-keeping systems, development and execution of business plans, developing market leads, negotiating contracts, and tailoring production to meet market requirements. AgPrO will also enable the BDS providers to train farmers in business planning, organizational governance, and output marketing so as to enhance farmers' buying and selling power and reduce transaction costs, ultimately allowing for a larger share of crop value to return to the farmer and enabling farmer groups to better advocate for themselves during marketing and negotiations.

Component 2: Value Chain Development

With end markets, buyers, and constraints identified, CASH will then facilitate value chain interventions. The activities below describe how CASH will build out the capabilities required by CWG actors across value chains.

Activity 2.1: Increase Access to Inputs. Land O'Lakes will use our Developing and Strengthening Input Supply Systems Manual to guide input supply products and services in CASH's value chains. This manual guides facilitators through the process of assessing market opportunities to supply modern agricultural inputs to farmers, select input suppliers and identify their training needs, and monitor progress toward developing and strengthening new and existing input supply companies while ensuring high-quality inputs are accessible and affordable to smallholder farmers. Each component is customizable based on local circumstances, including the level of development of the private sector, the extent to which input supply businesses are being built from scratch, the ability of required inputs to be produced locally rather than imported, the degree of political stability and sociocultural norms. Likewise, the manual's numerous training modules consist of multiple versions, with the appropriate version used based on the input supply company's capabilities. In all contexts, our manual advances a market-led approach to developing and strengthening input supply systems. This approach strengthens all components of an agricultural value chain, and increases long-term net economic benefits for both farmers and input suppliers.

Activity 2.2: Strengthen Support Service Provision (technical and business/management). Land O'Lakes will deploy our proven BDS approach to build the capacity of private sector service providers to address constraints facing agricultural enterprises. Services are offered in the market, transactions are made and all facilitative support is focused on market constraints. This results in increased outreach of services (as the support market has an incentive to grow), sustainable supply and demand interactions, and greater impact (as services are based on demand and service costs more appropriate to the market).

Informed by Phase 1 analysis and Phase 2 pilots, CASH will conduct a BDS mapping activity to identify service providers. CASH will take a broad view: services may be provided by small enterprises, lead firms, producer organizations, associations or individual entrepreneurs, among others. CASH will then address both demand- and supply-side constraints by working with BDS providers to improve service quality, pricing, promotion and outreach. By the end of the program, CASH expect to see more service providers offering a greater range of services demanded by value chain customers who pay competitive prices and keep coming back for more.

Activity 2.3: Accelerate Innovative Value Chain Technologies and Services. CASH will provide catalytic grant capital and business support services to early-stage ventures and graduate them to external finance. Land O'Lakes will encourage and facilitate the emergence of innovative technologies and services that have the potential to address value chain constraints. Informed by market analytics (Phase 1) and smallholder and vulnerable household (especially women's) production and processing needs identified during the pilot programs (Phase 2), CASH will launch an innovation solicitation to identify technologies, goods, and services capable of boosting productivity, conserving water and raising incomes. The project will select promising agricultural innovations through a rigorous two-round process: Round 1 will consist of rating concept notes based on established innovation criteria; the most promising concepts will be invited to Round 2, where innovators will submit a full proposal and "pitch" their business idea to the selection committee. Using our existing Innovation Measurement Scale, which provides a system and standards to critique the merits of each proposal, CASH will carefully analyze each submission and recommend the most promising ones for USAID funding. Once innovations have been selected, our team will develop targeted coaching and mentoring plans for each grantee to increase the likelihood of success. The project will promote selected innovations at events and venues (e.g., Matchmaking and Solution Seeking Sessions and local agricultural trade shows) to forge linkages and alliances between innovators and investors.

Activity 2.4: Increase Access to Productivity-Enhancing Technologies. Once technologies are selected in Activity 2.3, CASH will roll them out to farmers and farmer groups in the respective value chains. CASH will do so in several ways depending on the value chain, the governorate, the security situation, existing infrastructure and the presence of ROYG or donor projects whose expertise or funding the project could leverage. For example, CASH will identify lead farmers to pilot the use of the technology and facilitate training them in that technology through MAI extension agents, a Yemeni BDS provider or an NGO. The project will explore setting up community-based sites to demonstrate how the technologies and new techniques improve productivity and boost incomes, sponsor farmer field days, and collaborate with other development entities to use greenhouses (within the target governorates) as potential demonstration sites, and IESC will work through the USAID MENA II project to establish linkages with financial institutions that are willing to expand to more farmers. CASH will also work through women's NGOs, such as the Women's Economic Empowerment Association, Yemeni Women Union, or others identified during the gender assessment, to bring new technologies to women through women's-only farmer field day training events.

Activity 2.5: Improve Physical Market Infrastructure. Lacking effective and efficient marketing infrastructure, producers are unable to deliver high quality produce to wholesale and retail markets. Land O'Lakes will lead the CASH team in working closely with a broad group of industry associations and lead firms to address specific weaknesses in the infrastructure of all four value chains. CASH will encourage and facilitate

investments, including public-private partnerships that will add to or maintain the value of agricultural products for large numbers of commercial and smallholder farmers, and ultimately vulnerable households, especially those headed by women. CWGs will identify specific infrastructure gaps or weaknesses within each value chain. The project will encourage public-private partnerships, associations and/or lead firms to address these issues. As lead firms or groups of companies respond to these infrastructure investment opportunities, IESC will assist them to raise sufficient loan and equity capital to make the investments. CASH will link borrowers with technical and financial expertise to develop bankable business plans to present to lenders. The project will also work with the ROYG to establish more community-based Sidr plantations or Sidr forests, since it has established this as a top priority in its national agricultural strategy. Similar investments could include:

- Honey: modern, clean storage drums; village-based storage houses; beehives; trucks for shipping honey from orchard to processing facilities.
- Horticulture: cold (refrigerated) trucks; pre-cooling equipment and/or facilities; village-based cold stores; sorting, grading and pack houses for the wholesale collection of fresh fruits and vegetable production from surrounding communities.
- Livestock: nitrogen tanks for semen; livestock transport equipment (trucks); feeders to hold animal feed and reduce loss and waste at the village and farm level; holding pens for conditioning livestock.
- Coffee: modern drying equipment; tree pruning equipment; upgraded depulping machines, water harvesting tanks for drip irrigation.

Activity 2.6: Integrate Vulnerable Households into Value Chains. For vulnerable households, CASH will work to smooth household income and consumption by providing a competitive grant to a Yemeni NGO to deliver household enterprise curriculum. CASH will build on current donor projects, such as the USAID/OFDA EASE II program and the Food for Peace Emergency Food Program, to identify households who can graduate to CASH value chains. The NGO will train these and other households on basic business skills – including the concepts of profitability, cash flow, savings, loans, asset protection and record keeping – and planning for the health and nutrition of family members.

Drawing on best practices of gender inclusion, participation in the training will require the attendance of three household members (except for female-headed households). As our experience has shown, women's attendance encourages involvement in household decision-making; men's attendance reduces the likelihood of domestic violence; and an elder child's attendance will help sustain learning for the next generation. It also encourages the household to form a shared vision of progress. Following this training, vulnerable households will be introduced to low risk on- and off-farm group and individual IGAs. Using Land O'Lakes' Economic Strengthening Toolkit and the results of the end market and gender analyses, CASH will develop a menu of production, processing, retail and service IGAs, many of which will appeal to women and link to CASH-supported value chains. By helping women view these activities through an enterprise lens, they will see opportunities to help their families. To expand IGAs and incomes over time, successful entrepreneurs will be linked to sources of microfinance.

Activity 2.7: Increase Nutritional Impact on Rural Households. CASH will use the data gained from the household nutritional assessment to identify nutrients missing from the diets of rural households. In conjunction with seasonal agricultural calendars, CASH will develop dietary diversification strategies that fill food and nutrient gaps experienced during peak hunger periods. Potential strategies include home-based garden production and rearing of small livestock to improve diet diversity and to reduce losses through

improved storage and preservation. The project will also design and integrate key nutrition messages that promote dietary diversity and household hygiene, and that communicate the adverse effects of qat on both health (such as tooth decay) and household nutrition. CASH will also integrate children's and women's nutrition into our farmer field day activities and IGA group trainings. Examples include highlighting nutrition messages and using locally available foods for cooking demonstrations. Nutrition materials will complement activities to increase women's involvement in financial decisions and income-generating projects while encouraging men to foster better family nutrition.

Component 3: Agriculture Credit Development.

Agricultural finance is constrained for supply and demand reasons. On the supply side, many banks are poorly capitalized, have high non-performing loan concentrations and are technically insolvent. On the demand side, small businesses often have an aversion to riba (interest), diminishing their attraction to commercial banking. For MSMEs, farmers, and rural women, access to finance is problematic because of: 1) stringent bank collateral requirements (up to 400 percent of loan size and typically involves land); 2) a preference for "relationship lending" with well-known connections; 3) low geographic reach and preference for urban areas; and 4) poorly adapted products and poorly trained staff. Therefore, informal credit systems through traders and relatives prevail. Beyond conventional banking, there are 12 MFIs that had 82,000 borrowers with a loan portfolio of Yemeni rial (YR) 6 billion and 129,000 savers. Yemen has a relatively well developed, though fragmented and urban-focused, microfinance industry. Through the development banks, the ROYG intervenes in financing certain activities for SMEs and the underserved in rural areas, particularly through the SFD, the EOF with IFAD and the Agriculture and Fisheries Production Promotion Fund.

IESC will not necessarily target the players typically involved in agricultural credit schemes (e.g., quasi-government entities like SFD and the Cooperative Agriculture and Credit Bank) or banks already involved with external parties (e.g., through projects with IFAD and IFC/DFID). IESC will focus on complementing and assisting existing initiatives and oft-mentioned financial partners, such as Al Tadhamon Islamic Bank and Al-Kurimi Bank, to scale up operations. Such players often require assistance in execution and efficiency rather than funding. Such interventions could involve implementing a mobile phone-based retail agent model to help the bank meet cost efficiency thresholds for serving rural areas. This model would be complemented by DCA guarantees to convince the bank to move out of its comfort zone of urban and retail lending and into rural and agriculture lending. IESC will focus most of its efforts, however, on working with new financial institutions, such as MENA regional impact investors and banks, to raise capital for the commercial value chains and facilitate funding of MFIs and local banks not traditionally seen as funding "darlings" by the donor community.

Activity 3.1: Facilitate Additional Capital from Existing Sources.

For all three marketing groups, IESC will primarily target new investors/lenders that may not have intervened yet in agriculture finance in Yemen. These will include regional impact investors; Yemeni private, commercial banks who have not lent significantly to agriculture; and even value chain players such as input providers and buyers who have not yet provided credit. Many of these new players will likely have concerns rooted in historical failures in agricultural lending, political risk due to security and stability, and impact on profits due to inefficiencies in working with small and hard-to-reach borrowers. IESC will alleviate these apprehensions by facilitating meetings between value chain players, presenting results from the end market analysis to demonstrate potential returns, and proposing financing structures and risk enhancements (such as

Specialty Coffee Investment Fund

We will explore connecting large coffee buyers (see Phase 2 coffee pilot) and exporters and MENA-based investors and banks to create a fund for long-term equity or cost-sharing investments. These could include coffee processing and grading equipment, traceability systems, high-value coffee plants, or additional land, for beneficiary SMEs, larger farmer organizations, and individual, commercial farmers.

guarantees through USAID's Development Credit Authority program). The IESC financial experts will also target, to a lesser extent, existing lenders to distribute funds more efficiently to beneficiaries (see Activities 3.2 and 3.3) and to leverage additional wholesale capital for their existing funds. These lenders could include commercial and development banks, MFIs, multilateral programs (IFAD, IFC/World Bank, USAID Middle East Partnership Initiative and MENA II programs, Arab Fund for Economic and Social Development), and government programs (SFD and EOF). Given size and return requirements, CASH anticipate that these activities for new financial service providers will primarily affect commercial value chains.

- **Primary: Commercial Value Chain.** IESC will collaborate mostly with larger, commercial banks in Yemen and MENA regional banks, such as the Al Baraka Banking Group-Bahrain and the Islamic Development Bank, impact investors, and sovereign wealth funds, particularly from the countries who are members of the Gulf Cooperation Council. IESC will also identify and collaborate with multilateral entities and investors that have a specific goal to work in Arab countries, such as the SANAD Fund in Luxembourg. IESC will work with CWGs (identified during Components 1 and 2) to present investment opportunities for long-term equity, long-term debt for fixed assets or export financing. To improve efficiency, scale, and risk management, IESC will work with these financial partners to pool the financing needs of several SMEs and large farmers into single investment structures, such as investment funds or sukuk bonds. CASH will facilitate the creation and implementation of at least one such structure per year in Years 2 through 5, affecting at least 75 investees.
- **Secondary: Small-scale and Vulnerable Value Chains.** For small-scale and vulnerable value chains, CASH will use a wholesale approach to increasing capital for the respective beneficiaries. For example, CASH will explore investment preparedness services and help facilitate negotiations and structuring to existing small banks and MFIs for injections of capital from larger financial institutions, such as large regional banks or sovereign wealth funds. CASH will also investigate the possibility of large agribusinesses directly involved in the key value chains, such as input providers and wholesalers, to invest capital in these financial intermediaries. CASH will facilitate the creation and implementation of at least two such capital injections per year in Years 2 through 5.

Activity 3.2: **Build Financial Institutions' Capacity**. Based on the access to finance analysis in Phase 1, CASH will train financial service providers to more effectively serve the target businesses and farmers. Most of these activities will entail working with the financial service providers involved in smallholder and vulnerable value chains, such as MFIs and smaller banks that are already involved to some extent in agriculture lending in Yemen.

- **Primary: Smallholder and Vulnerable Value Chains.** IESC will provide two training sessions per year with pre-identified MFIs and smaller banks for up to 25 participants (up to three participants per institution, eight institutions per training). The training topics will vary based on need but will likely cover topics such as market research and product development, agriculture finance risk management, process analysis and design, and human resources management. CASH will work closely with trade associations and support entities, such as the YMN, to assist in the planning and marketing of the training activities as well as to create local, institutional knowledge that will sustain beyond the life of the program (i.e., training of trainers). For these entities, CASH suggests a matching investment of at least 25 percent.
- **Secondary: Commercial Value Chains.** IESC will provide one training per year with pre-identified banks and investors for up to 25 participants (up to three participants per institution, eight institutions per training). The topics will cover advanced aspects of 1) agricultural finance and structuring; and 2)

Yemen investment and rural related issues (for those not yet intervening in Yemen or rural areas). In working with other team members, particular value chain investment and risk related issues, such as for coffee, may also be covered in the trainings, if needed. For these entities, CASH suggests a matching investment of at least 40 percent.

Activity 3.3 Develop New Products and Improve Financial Service Delivery. IESC will provide one-on-one technical assistance to help implement concepts covered in the training in Activity 3.2. IESC will identify one to two financial service partners after receiving a follow-up report from the partner on how it had used the training materials to implement the training topic. Priority will be given to partners who not only have the capacity to implement such changes, but who also demonstrate a strong desire for the changes to occur, particularly in helping vulnerable women and SMEs without access to formal finance. Similar to Activity 3.2, most of these activities will entail working with the financial service providers involved in smallholder and vulnerable value chains.

- **Primary: Smallholder and Vulnerable Value Chains**. IESC will work with at least two financial institutions per year in Years 2 through 5 to implement or improve upon new products, process improvements, risk management, and human resources management. Product development will be encouraged with a focus on listening to clients' needs and desires, particularly those of women, and putting in place new products or features that will fill women farmers' needs. IESC will encourage these partners to focus on not just typical agricultural credit but also micro insurance, savings products and the provision of financial literacy services for women and other vulnerable clients (linked to Activity 2.5). IESC will also facilitate solutions that consider cultural norms, Islamic finance concepts, and informal finance, such as local moneylenders and networks. For human resource management, IESC will assist these partners to recruit and develop their female staff in technical and management positions. Beyond product development, IESC will work with partners to improve efficiencies and risk management. For example, IESC will encourage financial partners to work directly with value chain players (e.g., input providers and wholesale buyers) to create joint information and payment arrangements for initial credit decisions, loan disbursements and reimbursements, instead of relying on banks to implement the due diligence, payment and monitoring systems. One solution may be for input suppliers to provide information to banks on farmers' creditworthiness so that an instant credit decision can be made at the point-of-sale using mobile phones.
- **Secondary: Commercial Value Chains**. CASH will work with at least one formal financial institution each year in Years 2 through 5 to pilot and create new efforts (or entire departments) in agriculture finance, particularly around building human resources capacity. CASH will also encourage these partners to develop products (beyond typical trade finance) for long-term financing of investments that could help SMEs and large farmers become more efficient and productive (e.g., new storage facilities or irrigation equipment).

Promoting Resilience

Where possible, CASH will coordinate and collaborate with USAID Yemen's Humanitarian Assistance programs currently implementing approximately \$90 million in annual assistance to food insecure communities (many of which are in CASH's focus area). Pilot activities will be developed and implemented where possible to support mutually supportive goals (rehabilitation of terraces in coffee production areas, food vouchers for procurement of locally produced agriculture products, etc., water provision enterprises coordinated with WASH activities and water harvesting and distribution systems). Other potential pilot activities could be developed that allow target beneficiaries to participate in value

chain production and marketing activities through a combination of USAID Humanitarian Assistance and CASH activities (e.g., developing joint programs for production of plant material, improvement of market access pathways and secondary rural roads, etc.). Key focus will be on layering USAID’s approach to work with communities in transition from humanitarian assistance toward sustainable development and help them move along that continuum.

Illustrative Farm Types and Farmers Participating in CASH

Illustrative Farm Types	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Commercial Value Chain - Coffee, Honey and /or Horticulture	500	1,000	1,750	1,750	2,000	7,000 (\$12.5 million)
Small Scale Value Chain Horticulture, Honey and/or Livestock	250	500	750	1,000	850	3,350 (\$6 million)
Vulnerable Household Value Chain Livestock and/or Honey	250	500	750	1,000	850	3,350 (\$6 million)
Total	1,000	2,000	3,250	3,750	3,700	13,700 (\$24.5 million)

SECURITY

The security threat level in Yemen is extremely high and the U.S. Department of State warns U.S. citizens of the high security threat level due to terrorist activities and civil unrest. Travel is extremely restrictive and Americans are discouraged from traveling to the country.

The Grantee should be aware of these restrictions and plan accordingly and take precautions to maintain the safety of the staff. This includes the preparation of evacuation plans, security measures, and registering with the U.S. Embassy Warden System.

ACRONYM LIST

AgPrO	Agricultural Producer Organization
ATA	Aid to Artisans
BAP	Best Agricultural Practice
BDS	Business Development Services
CAP	Cluster Action Plan
CASH	Competitive Agriculture Systems for High Value Crops
CBA	Cost-Benefit Analysis
CLP	Community Livelihoods Project
CONACADO	National Federation of Dominican Cacao Producers
COP	Chief of Party
CQI	Coffee Quality Institute
CWG	Cluster Working Group
DID	Difference in Differences

EOF	Economic Opportunity Fund
F2F	Farmer-to-Farmer
FABRI	Further Enhancing the Blue Revolution Initiative
FTF	Feed the Future
GSP/EBA	General System of Preferences/Everything But Arms
IBTCI	International Business and Technical Consultants Inc.
IESC	International Executive Service Corps
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IGA	Income Generating Activities
IGE	Tanzania Innovations in Gender Equality
IMPACTS	Integrated Monitoring Performance Assessment and Computerized Tracking System
LIM	Lebanon Investment in Microfinance
M&E	Monitoring and Evaluation
MAI	Ministry of Agriculture and Irrigation
MENA	Middle East and North Africa
MENA-YES	Middle East and North Africa Youth Empowerment Strategy
MFI	Micro Finance Institution
MIS	Market Information Systems
MoWE	Ministry of Water and the Environment
MSME	Micro, Small and Medium Enterprises
NASS	National Agriculture Sector Strategy
PMP	Performance Management Plan
ROYG	Republic of Yemen Government
SFD	Social Fund for Development
SME	Small and Medium Enterprise
SOQ	Seal of Quality
WEIA	Women's Empowerment in Agriculture Index
YMN	Yemen Microfinance Network
YR	Yemeni Rial
YSMO	Yemen Standards, Meteorology and Quality Control Organization

**Attachment C
Standard Provisions for
U.S. Nongovernmental Organizations
Table of Contents**

**MANDATORY STANDARD PROVISIONS FOR U.S.
NONGOVERNMENTAL ORGANIZATIONS**

- M1. APPLICABILITY OF 22 CFR PART 226 (MAY 2005)
- M2. INELIGIBLE COUNTRIES (MAY 1986)
- M3. NONDISCRIMINATION (JUNE 2012)
- M4. AMENDMENT OF AWARD (JUNE 2012)
- M5. NOTICES (JUNE 2012)
- M6. SUBAGREEMENTS (JUNE 2012)
- M7. OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT (DECEMBER 2003)
- M8. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (JUNE 2012)
- M9. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (JUNE 2012)
- M10. DRUG-FREE WORKPLACE (JUNE 2012)
- M11. EQUAL PARTICIPATION BY FAITH-BASED ORGANIZATIONS (JUNE 2012)
- M12. PREVENTING TERRORIST FINANCING –IMPLEMENTATION OF E.O 13224 (AUGUST 2013)
- M13. MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE (AUGUST 2013)
- M14. REGULATIONS GOVERNING EMPLOYEES (AUGUST 1992)
- M15. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY (NOVEMBER 1985)
- M16. USE OF POUCH FACILITIES (AUGUST 1992)
- M17. TRAVEL AND INTERNATIONAL AIR TRANSPORTATION (AUGUST 2013)
- M18. OCEAN SHIPMENT OF GOODS (JUNE 2012)
- M19. VOLUNTARY POPULATION PLANNING ACTIVITIES – MANDATORY REQUIREMENTS (MAY 2006)
- M20. TRAFFICKING IN PERSONS (JUNE 2012)
- M21. SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND PUBLICATIONS (JUNE 2012)
- M. 22. LIMITING CONSTRUCTION ACTIVITIES (AUGUST 2013)

**REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR U.S.
NONGOVERNMENTAL ORGANIZATIONS**

- RAA1. Reserved
- RAA2. NEGOTIATED INDIRECT COST RATES - PROVISIONAL (Nonprofit) (APRIL 1998)
- RAA3. Reserved
- RAA4. EXCHANGE VISITORS AND PARTICIPANT TRAINING (JUNE 2012)
- RAA5. Reserved
- RAA6. Reserved
- RAA7. Reserved
- RAA8. Reserved
- RAA9. Reserved
- RAA10. PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (JUNE 1999)
- RAA11. INVESTMENT PROMOTION (NOVEMBER 2003)

- RAA12. REPORTING HOST GOVERNMENT TAXES (JUNE 2012)
- RAA13. Reserved
- RAA14. Reserved
- RAA15. Reserved
- RAA16. Reserved
- RAA17. USAID DISABILITY POLICY - ASSISTANCE (DECEMBER 2004)
- RAA18. Reserved
- RAA19. Reserved
- RAA20. Reserved
- RAA21. Reserved
- RAA22. CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER (OCTOBER 2010)
- RAA23. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (OCTOBER 2010)
- RAA24. Reserved
- RAA25. Reserved

**MANDATORY STANDARD PROVISIONS
FOR U.S. NONGOVERNMENTAL ORGANIZATIONS**

M1. APPLICABILITY OF 22 CFR PART 226 (MAY 2005)

- (a) All provisions of 22 CFR 226 and all 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 must assure that subrecipients have copies of all the attached standard provisions.
- (b) For any subawards made with Non-U.S. subrecipients the recipient must include the applicable “Standard Provisions for Non-US Nongovernmental Organizations.” Recipients are required to ensure compliance with monitoring procedures in accordance with OMB Circular A-133.

[END OF PROVISION]

M2. 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]

M3. NONDISCRIMINATION (JUNE 2012)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination on the basis of race, color, national origin, age, disability, or sex under any program or activity funded by this award when work under the grant is performed in the U.S. or when employees are recruited from the U.S.

Additionally, USAID is committed to achieving and maintaining a diverse and representative workforce and a workplace free of discrimination. Based on law, Executive Order, and Agency policy, USAID prohibits discrimination, including harassment, in its own workplace on the basis of race, color, religion, sex (including pregnancy and gender identity), national origin, disability, age, veteran’s status, sexual orientation, genetic information, marital status, parental status, political affiliation, and any other conduct that does not adversely affect the performance of the employee.

In addition, the Agency strongly encourages its recipients and their subrecipients and vendors (at all tiers), performing both in the U.S. and overseas, to develop and enforce comprehensive nondiscrimination policies for their workplaces that include protection for all their employees on these expanded bases, subject to applicable law.

[END OF PROVISION]

M4. AMENDMENT OF AWARD (JUNE 2012)

This award may only be amended in writing, by formal amendment or letter, signed by the Agreement Officer (AO), and in the case of a bilateral amendment, by the AO and an authorized official of the recipient.

[END OF PROVISION]

M5. NOTICES (JUNE 2012)

Any notice given by USAID or the recipient is sufficient only if in writing and delivered in person, mailed or e-mailed as follows:

- a. To the USAID Agreement Officer, at the address specified in this award; or
- b. To the recipient, at the recipient's address shown in this award, or to such other address specified in this award.

[END OF PROVISION]

M6. SUBAGREEMENTS (JUNE 2012)

- a. Subawardees and contractors have no relationship with USAID under the terms of this award. All required USAID approvals must be directed through the recipient to USAID.
- b. Notwithstanding any other term of this award, subawardees and contractors have no right to submit claims directly to USAID and USAID assumes no liability for any third party claims against the recipient.

[END OF PROVISION]

M7. OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT (DECEMBER 2003)

Information collection requirements imposed by this award are covered by OMB approval number 0412-0510; the current expiration date is 04/30/2005. The Standard Provisions containing the requirement and an estimate of the public reporting burden (including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) are

<u>Standard Provision</u>	<u>Burden Estimate</u>
Air Travel and Transportation	1 (hour)
Ocean Shipment of Goods	.5
Patent Rights	.5
Publications	.5
Negotiated Indirect Cost Rates -	

(Predetermined and Provisional)	1
Voluntary Population Planning	.5
Protection of the Individual as a Research Subject	1

<u>22 CFR 226</u>	<u>Burden Estimate</u>
22 CFR 226.40-.49, Procurement of Goods and Services	1
22 CFR 226.30 -.36, Property Standards	1.5

Comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, may be sent to the Office of Acquisition and Assistance, Policy Division (M/OAA/P), U.S. Agency for International Development, Washington, DC 20523-7801 and to the Office of Management and Budget, Paperwork Reduction Project (0412-0510), Washington, DC 20503.

[END OF PROVISION]

M8. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (JUNE 2012)

- a. This provision is not applicable to commodities or services that the recipient provides with private funds as part of a cost-sharing requirement, or with Program Income generated under this award.
- b. Ineligible and Restricted Commodities and Services:
 - (1) Ineligible Commodities and Services. The recipient must not, under any circumstances, 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. Any firms or individuals that do not comply with the requirements in Standard Provision, “Debarment, Suspension and Other Responsibility Matters” and Standard Provision, “Preventing Terrorist Financing” must not be used to provide any commodities or services funded under this award.
 - (3) Restricted Commodities. The recipient must obtain prior written approval of the Agreement Officer (AO) or comply with required procedures under an applicable waiver, as provided by the AO when procuring any of the following commodities:
 - (i) Agricultural commodities,

- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Used equipment,
- (vi) U.S. Government-owned excess property, or
- (vii) Fertilizer.

c. Source and Nationality:

Except as may be specifically approved in advance by the AO, all commodities and services that will be reimbursed by USAID under this award must be from the authorized geographic code specified in this award and must meet the source and nationality requirements set forth in 22 CFR 228. If the geographic code is not specified, the authorized geographic code is 937. When the total value of procurement for commodities and services during the life of this award is valued at \$250,000 or less, the authorized geographic code for procurement of all goods and services to be reimbursed under this award is code 935. For a current list of countries within each geographic code, see: <http://inside.usaid.gov/ADS/300/310.pdf>.

- d. Guidance on the eligibility of specific commodities and services may be obtained from the AO. If USAID determines that the recipient has procured any commodities or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the AO may require the recipient to refund the entire amount of the purchase.
- e. This provision must be included in all subagreements, including subawards and contracts, which include procurement of commodities or services.

[END OF PROVISION]

M9. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (JUNE 2012)

- a. The recipient agrees to notify the Agreement Officer (AO) 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 AO, it will not knowingly enter into any subagreements or contracts under this award 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
(JUNE 2012)**

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 Subpart C of 2 CFR Section 180, as supplemented by 2 CFR 780.

[END OF PROVISION]

M10. DRUG-FREE WORKPLACE (JUNE 2012)

- a. The recipient must comply with drug-free workplace requirements in subpart B (or subpart C, if the recipient is an individual) of 2 CFR 782, which adopts the Government-wide implementation (2 CFR part 182) of sec. 5152–5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100–690, Title V, Subtitle D; 41U.S.C. 701–707).

[END OF PROVISION]

M11. EQUAL PARTICIPATION BY FAITH-BASED ORGANIZATIONS (JUNE 2012)

- a. Faith-Based Organizations Encouraged.

Faith-based organizations are eligible to compete on an equal basis as any other organization to participate in USAID programs. Neither USAID nor entities that make and administer subawards of USAID funds will discriminate for or against an organization on the basis of the organization’s religious character or affiliation. A faith-based organization may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, within the limits contained in this provision. More information can be found at the USAID Faith- Based and Community Initiatives Web site: http://transition.usaid.gov/our_work/global_partnerships/fbci/ and 22 CFR 205.1.

b. Inherently Religious Activities Prohibited.

- (1) Inherently religious activities include, among other things, worship, religious instruction, prayer, or proselytization.
- (2) The recipient must not engage in inherently religious activities as part of the programs or services directly funded with financial assistance from USAID. If the recipient engages in inherently religious activities, 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.
- (3) These restrictions apply equally to religious and secular organizations. All organizations that participate in USAID programs, including religious ones, must carry out eligible activities in accordance with all program requirements and other applicable requirements governing USAID-funded activities.
- (4) These restrictions do not apply to USAID-funded programs where chaplains 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.
- (5) Notwithstanding the restrictions of b.(1) and (2), a religious organization that participates in USAID-funded programs or services
 - (i) 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,
 - (ii) May use space in its facilities, without removing religious art, icons, scriptures, or other religious symbols, and
 - (iii) Retains its authority over its internal governance, and it 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.

c. Construction of Structures Used for Inherently Religious Activities Prohibited. 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, such as sanctuaries, chapels, or other rooms that the recipient uses as its principal place of worship. Except for a structure used as its principal place of worship, 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.

- d. Discrimination Based on Religion Prohibited. The recipient must not discriminate against any beneficiary or potential beneficiary on the basis of religion or religious belief as part of the programs or services directly funded with financial assistance from USAID.
- e. A religious organization's 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 is not forfeited when the organization receives financial assistance from USAID.
- f. The Secretary of State may waive the requirements of this section 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]

M12. PREVENTING TERRORIST FINANCING -- IMPLEMENTATION OF E.O. 13224 (AUGUST 2013)

- a. The recipient must not engage in transactions with, or provide resources or support to, individuals and organizations associated with terrorism, including those individuals or entities that appear on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Treasury (online at: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>) or the United Nations Security designation list (online at: http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
- b. This provision must be included in all subagreements, including subawards and contracts issued under this award.

[END OF PROVISION]

M13. MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE (AUGUST 2013)

- a. The USAID Identity is the official marking for USAID, comprised of the USAID logo and landmark with the tagline “from the American people.” The USAID Identity is on the USAID Web site at www.usaid.gov/branding. Recipients must use the USAID Identity, of a size and prominence equivalent to or greater than any other identity or logo displayed, to mark the following:
 - (1) Programs, projects, activities, public communications, and commodities partially or fully funded by USAID;
 - (2) Program, project, or activity sites funded by USAID, including visible infrastructure projects or other physical sites;
 - (3) Technical assistance, studies, reports, papers, publications, audio-visual

productions, public service announcements, Web sites/Internet activities, promotional, informational, media, or communications products funded by USAID;

- (4) Commodities, equipment, supplies, and other materials funded by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs; and
 - (5) Events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities. If the USAID Identity cannot be displayed, the recipient is encouraged to otherwise acknowledge USAID and the support of the American people.
- b. The recipient must implement the requirements of this provision following the approved Marking Plan in the award.
 - c. The AO may require a preproduction review of program materials and “public communications” (documents and messages intended for external distribution, including but not limited to correspondence; publications; studies; reports; audio visual productions; applications; forms; press; and promotional materials) used in connection with USAID-funded programs, projects or activities, for compliance with an approved Marking Plan.
 - d. The recipient is encouraged to give public notice of the receipt of this award and announce progress and accomplishments. The recipient must provide copies of notices or announcements to the Agreement Officer’s Representative (AOR) and to USAID's Office of Legislative and Public Affairs in advance of release, as practicable. Press releases or other public notices must 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.”
 - e. Any “public communication” 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.”
 - f. The recipient must provide the USAID AOR with two copies of all program and communications materials produced under this award.
 - g. The recipient may request an exception from USAID marking requirements when USAID marking requirements would:
 - (1) Compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials;

- (2) Diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent;
 - (3) Undercut host-country government “ownership” of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications;
 - (4) Impair the functionality of an item;
 - (5) Incur substantial costs or be impractical;
 - (6) Offend local cultural or social norms, or be considered inappropriate; or
 - (7) Conflict with international law.
- h. The recipient may submit a waiver request of the marking requirements of this provision or the Marking Plan, through the AOR, when USAID-required marking would pose compelling political, safety, or security concerns, or have an adverse impact in the cooperating country.
- (1) Approved waivers “flow down” to subagreements, including subawards and contracts, unless specified otherwise. The waiver may also include the removal of USAID markings already affixed, if circumstances warrant.
 - (2) USAID determinations regarding waiver requests are subject to appeal by the recipient, by submitting a written request to reconsider the determination to the cognizant Assistant Administrator.
- i. The recipient must include the following marking provision in any subagreements entered into under this award:

“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.”

[END OF PROVISION]

M14. REGULATIONS GOVERNING EMPLOYEES (AUGUST 1992)

(The following applies to the recipient's employees working in the cooperating country under the agreement who are not citizens of the cooperating country.)

- a. The recipient's employees must maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.
- b. The sale of personal property or automobiles by recipient employees and their dependents in

the foreign country to which they are assigned are 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, employees of the recipient must not 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. In addition, the individual must not 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 conventions, 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 must consult with the USAID Mission Director and the employee involved, and must 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 grant award of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- g. If it is determined, either under e. or f. above, that the services of such employee should be terminated, the recipient must use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

[END OF PROVISION]

**M15. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY
(NOVEMBER 1985)**

Upon arrival in the cooperating country, and from time to time as appropriate, the recipient's chief of party must consult with the Mission Director who must provide, in writing, the procedure the recipient and its employees must follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

[END OF PROVISION]

M16. USE OF POUCH FACILITIES (AUGUST 1992)

- a. Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID recipients and their employees as a general policy, as detailed in items (1) through (6) below. However, the final

decision regarding use of pouch facilities rest with the Embassy or USAID Mission. In consideration of the use of pouch facilities, the recipient and its employees agree to indemnify and hold harmless, the Department of State and USAID for loss or damage occurring in pouch transmission:

- (1) Recipients and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of .9 kgs per shipment of correspondence and documents needed in the administration of assistance programs.
- (2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of .45 kgs per shipment (but see a.(3) below).
- (3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.
- (4) Official and personal mail pursuant to a.(1) and (2) above sent by pouch should be addressed as follows:

Name of individual or organization (followed by letter
symbol "G")
City Name of post (USAID/_____)
Agency for International Development Washington, DC 20523-0001

- (5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.
 - (6) Recipient personnel are NOT authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide.
- b. The recipient is responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.
 - c. Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or USAID Mission.

[END OF PROVISION]

M17. TRAVEL AND INTERNATIONAL AIR TRANSPORTATION (AUGUST 2013)

a. PRIOR BUDGET APPROVAL

Direct charges for travel costs for international air travel by individuals are allowable only when each international trip has received prior budget approval. Such approval is met when all of the following are met:

- (1) The trip is identified by providing the following information: the number of trips,

the number of individuals per trip, and the origin and destination countries or regions;

- (2) All of the information noted at a.(1) above is incorporated in the Schedule of this award or amendments to this award; and
- (3) The costs related to the travel are incorporated in the budget of this award.

The Agreement Officer (AO) may approve, in writing, international travel costs that have not been incorporated in this award. To obtain AO approval, the recipient must request approval at least three weeks before the international travel, or as far in advance as possible. The recipient must keep a copy of the AO's approval in its files. No other clearance (including country clearance) is required for employees of the recipient, its subrecipients or contractors.

International travel by employees who are not on official business of the recipient, such as rest and recuperation (R&R) travel offered as part of an employee's benefits package, must be consistent with the recipient's personnel and travel policies and procedures and does not require approval.

b. TRAVEL COSTS

All travel costs must comply with the applicable cost principles and must be consistent with those normally allowed in like circumstances in the recipient's non-USAID-funded activities. Costs incurred by employees and officers for travel, including air fare, costs of lodging, other subsistence, and incidental expenses, may be considered reasonable and allowable only to the extent such costs do not exceed reasonable charges normally allowed by the recipient in its regular operations as the result of the recipient organization's written travel policy and are within the limits established by the applicable cost principles.

In the absence of a reasonable written policy regarding international travel costs, the standard for determining the reasonableness of reimbursement for international travel costs 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 Standardized Regulations on international travel costs may be obtained from the AO. In the event that the cost for air fare exceeds the customary standard commercial airfare (coach or equivalent) or the lowest commercial discount airfare, the recipient must document one of the allowable exceptions from the applicable cost principles.

c. FLY AMERICA ACT RESTRICTIONS

- (1) The recipient must use U.S. Flag Air Carriers for all international air transportation (including personal effects) funded by this award pursuant to the Fly America Act and its implementing regulations to the extent service by such carriers is available.
- (2) In the event that the recipient selects a carrier other than a U.S. Flag Air Carrier for international air transportation, in order for the costs of such international air transportation to be allowable, the recipient must document such transportation in accordance with this provision and maintain such documentation pursuant to the Standard Provision, "Accounting, Audit and Records." The documentation must

use one of the following reasons or other exception under the Fly America Act:

- (i) The recipient uses a European Union (EU) flag air carrier, which is an airline operating from an EU country that has signed the US-EU “Open Skies” agreement (<http://www.state.gov/e/eb/rls/othr/ata/i/ic/170684.htm>).
- (ii) Travel to or from one of the following countries on an airline of that country when no city pair fare is in effect for that leg (see <http://apps.fas.gsa.gov/citypairs/search/>):
 - a. Australia on an Australian airline,
 - b. Switzerland on a Swiss airline, or
 - c. Japan on a Japanese airline;
- (iii) Only for a particular leg of a route on which no US Flag Air Carrier provides service on that route;
- (iv) For a trip of 3 hours or less, the use of a US Flag Air Carrier at least doubles the travel time;
- (v) If the US Flag Air Carrier offers direct service, use of the US Flag Air Carrier would increase the travel time by more than 24 hours; or
- (vi) If the US Flag Air Carrier does not offer direct service,
 - a. Use of the US Flag Air Carrier increases the number of aircraft changes by 2 or more,
 - b. Use of the US Flag Air Carrier extends travel time by 6 hours or more, or
 - c. Use of the US Flag Air Carrier requires a layover at an overseas interchange of 4 hours or more.

d. DEFINITIONS

The terms used in this provision have the following meanings:

- (1) “Travel costs” means expenses for transportation, lodging, subsistence (meals and incidentals), and related expenses incurred by employees who are on travel status on official business of the recipient for any travel outside the country in which the organization is located. “Travel costs” do not include expenses incurred by employees who are not on official business of the recipient, such as rest and recuperation (R&R) travel offered as part of an employee’s benefits package that are consistent with the recipient’s personnel and travel policies and procedures.
- (2) “International air transportation” means international air travel by individuals (and their personal effects) or transportation of cargo by air between a place in the United States and a place outside thereof, or between two places both of which are outside the United States.

- (3) "U.S. Flag Air Carrier" means an air carrier on the list issued by the U.S. Department of Transportation at <http://ostpxweb.dot.gov/aviation/certific/certlist.htm>. U.S. Flag Air Carrier service also includes service provided under a code share agreement with another air carrier when the ticket, or documentation for an electronic ticket, identifies the U.S. flag air carrier's designator code and flight number.
- (4) For this provision, the term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.

e. SUBAGREEMENTS

This provision must be included in all subagreements, including all subawards and contracts, under which this award will finance international air transportation.

[END OF PROVISION]

M18. OCEAN SHIPMENT OF GOODS (JUNE 2012)

***APPLICABILITY:** This provision is applicable for awards and subawards for which the recipient contracts for ocean transportation for goods purchased or financed with USAID funds. In accordance with 22 CFR 228.21, ocean transportation shipments are subject to the provisions of 46 CFR Part 381.*

OCEAN SHIPMENT OF GOODS (JUNE 2012)

- a. Prior to contracting for ocean transportation to ship goods purchased or financed with USAID funds under this award, the recipient must contact the office below to determine the flag and class of vessel to be used for shipment:

U.S. Agency for International Development,
 Office of Acquisition and Assistance, Transportation Division 1300 Pennsylvania
 Avenue, NW
 Washington, DC 20523-7900
 Email: oceantransportation@usaid.gov

- b. This provision must be included in all subagreements, including subawards and contracts.

[END OF PROVISION]

M19. VOLUNTARY POPULATION PLANNING ACTIVITIES – MANDATORY REQUIREMENTS (MAY 2006)

Requirements for Voluntary Sterilization Programs

- (1) Funds made available under this award must not 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, must 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]

M20. TRAFFICKING IN PERSONS (JUNE 2012)

- a. USAID is authorized to terminate this award, without penalty, if the recipient or its employees, or any subrecipient or its employees, engage in any of the following conduct:
 - (1) Trafficking in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime) during the period of this award;
 - (2) Procurement of a commercial sex act during the period of this award; or
 - (3) Use of forced labor in the performance of this award.
- b. For purposes of this provision, “employee” means an individual who is engaged in the performance of this award as a direct employee, consultant, or volunteer of the recipient or any subrecipient.
- c. The recipient must include in all subagreements, including subawards and contracts, a provision prohibiting the conduct described in a(1)-(3) by the subrecipient, contractor or any of their employees.

[END OF PROVISION]

M21. SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND PUBLICATIONS (JUNE 2012)

- a. Submissions to the Development Experience Clearinghouse (DEC).
- 1) The recipient must provide the Agreement Officer's Representative one copy of any Intellectual Work that is published, and a list of any Intellectual Work that is not published.
 - 2) In addition, the recipient must submit Intellectual Work, whether published or not, to the DEC, either on-line (preferred) or by mail. The recipient must review the DEC Web site for submission instructions, including document formatting and the types of documents to submit. Submission instructions can be found at: <http://dec.usaid.gov>.
 - 3) For purposes of submissions to the DEC, Intellectual Work includes all works that document the implementation, evaluation, and results of international development assistance activities developed or acquired under this award, which may include program and communications materials, evaluations and assessments, information products, research and technical reports, progress and performance reports required under this award (excluding administrative financial information), and other reports, articles and papers prepared by the recipient under the award, whether published or not. The term does not include the recipient's information that is incidental to award administration, such as financial, administrative, cost or pricing, or management information.
 - 4) Each document submitted should contain essential bibliographic information, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) development objective; and 6) date of publication.
 - 5) The recipient must not submit to the DEC any financially sensitive information or personally identifiable information, such as social security numbers, home addresses and dates of birth. Such information must be removed prior to submission. The recipient must not submit classified documents to the DEC.
 - 6) 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 must be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

[END OF PROVISION]

M. 22 LIMITING CONSTRUCTION ACTIVITIES (AUGUST 2013)

- a) Construction is not eligible for reimbursement under this award unless specifically identified in paragraph d) below.
- b) Construction means —construction, alteration, or repair (including dredging and excavation) of buildings, structures, or other real property and includes, without limitation, improvements, renovation, alteration and refurbishment. The term includes, without

limitation, roads, power plants, buildings, bridges, water treatment facilities, and vertical structures.

- c) Agreement Officers will not approve any subawards or procurements by recipients for construction activities that are not listed in paragraph d) below. USAID will reimburse allowable costs for only the construction activities listed in this provision not to exceed the amount specified in the construction line item of the award budget. The recipient must receive prior written approval from the AO to transfer funds allotted for construction activities to other cost categories, or vice versa.
- d) Description
[*Type of construction and location(s)*]
- e) The recipient must include this provision in all subawards and procurements and make vendors providing services under this award and subrecipients aware of the restrictions of this provision.

[END OF PROVISION]

[END OF MANDATORY PROVISIONS]

**REQUIRED AS APPLICABLE
STANDARD PROVISIONS FOR
U.S. NONGOVERNMENTAL ORGANIZATIONS**

RAA1. Reserved

**RAA2. NEGOTIATED INDIRECT COST RATES – PROVISIONAL (Nonprofit)
(APRIL 1998)**

- a. Provisional indirect cost rates must be established for each of the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs must be reimbursed at the rates, on the bases, and for the periods shown in the schedule of the award.
- b. Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient must submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed final indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient must submit four copies of the audit report, along with the proposed final indirect cost rates and supporting cost data, to the Overhead, Special Costs, and Closeout Branch, Office of Acquisition and Assistance, USAID, Washington, DC 20523-7802. The proposed rates must be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates must begin soon after receipt of the recipient's proposal.
- c. Allowability of costs and acceptability of cost allocation methods must be determined in accordance with the applicable cost principles.
- d. The results of each negotiation must be set forth in a written indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and must 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 must 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 rate(s) for any fiscal year, the recipient must 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. Failure by the parties to agree on final rates is a 22 CFR 226.90 dispute.

[END OF PROVISION]

RAA3. Reserved

RAA4. EXCHANGE VISITORS AND PARTICIPANT TRAINING (JUNE 2012)

For any Exchange Visitor, Participant Training or Invitational Travel activities, the recipient must comply with this provision.

a. Definitions:

- (1) An **Exchange Visitor** is any host-country or third-country national traveling to the U.S., for any purpose, including Participant Training and Invitational Travel, funded by USAID in whole or in part, directly or indirectly.
- (2) A **Participant** is a host-country or third-country national sponsored by USAID for a Participant Training activity taking place in the U.S., a third country, or in the host country.
- (3) **Participant Training** is a learning activity conducted within the U.S., a third country, or in the host country for the purpose of furthering USAID development objectives. A learning activity takes place in a setting in which an individual (the Participant) interacts with a knowledgeable professional, predominantly for the purpose of acquiring knowledge or skills for the professional or technical enhancement of the individual. Learning activities may be formally structured, such as an academic program or a technical course, or they may be more informal, such as an observational study tour.
- (4) **Invitational Travel** is a type of travel that USAID funds for non-U.S. Government employees. This type of travel may be approved for both U.S. and foreign citizens who are not employed by the U.S. Government (USG), not receiving any type of compensation from the USG for such travel, and only when it is determined that the functions to be performed are essential to the interests of USAID.

b. Program Monitoring and Data Reporting: The recipient must monitor Exchange Visitors' and Participants' progress during their program and ensure that problems are identified and resolved quickly.

- (1) For U.S.-based activities, the recipient must use USAID's official Exchange Visitor and Participant Training information system, currently called "Training Results and Information Network – TraiNet" (see <http://trainethelp.usaid.gov/>), to report and manage Exchange Visitor and Participant Training data. The recipient must also use the USAID Visa Compliance System – VCS (see <http://trainethelp.usaid.gov/>) to transfer required data for USAID Exchange Visitors to the Department of Homeland Security's Student and Exchange Visitor Information System (SEVIS).
- (2) For all third-country activities, and for host-country activities of two consecutive days or 16 contact hours or more in duration, the recipient must use USAID's official Exchange Visitor and Participant Training information system, currently called "Training Results and Information Network – TraiNet" (see <http://trainethelp.usaid.gov/>), to report and manage Participant Training data.

c. **Health and Accident Insurance:**

- (1) For Exchange Visitors traveling to the United States, the recipient must enroll Exchange Visitors in health and accident insurance coverage that meets or exceeds Department of State and USAID minimum coverage requirements as set forth in 22 CFR 62.14 and ADS 253.3.6.2. The requirements may be obtained from the Agreement Officer's Representative.
- (2) For Participants traveling to a third country, the recipient must obtain health and accident insurance coverage for all Participants.
- (3) For Participants traveling within the host country, the recipient must determine whether specific in-country participant training activities subject them to any risk of health and accident liability for medical costs. Participants may incur, and if so, take appropriate steps according to the local situation, including obtaining health and accident insurance coverage for Participants.

d. **Immigration Requirements:**

- (1) For Exchange Visitors traveling to the United States, the recipient must ensure that all USAID-sponsored Exchange Visitors obtain, use, and comply with the terms of the J-1 visa, issued in conjunction with a USAID- issued Certificate of Eligibility for J-1 Visa Status (DS-2019).
- (2) For Participants traveling to a third country or within the host country, the recipient must ensure that all Participants obtain, use, and comply with the terms of all applicable immigration, visa and other similar requirements.

e. **Language Proficiency:** The recipient must verify language proficiency. Exchange Visitors must possess sufficient English language proficiency to participate in a U.S.-based activity. Participants of third-country or host-country training must be proficient in the language of training at a sufficient level for participation, unless an interpreter has been arranged. Language competency can be verified through a variety of means including proficiency assessments of interviews, publications, presentations, education conducted in English, and formal testing.

f. **Pre-departure Orientation:** The recipient must conduct pre-departure orientation for U.S-bound Exchange Visitors and Participants of third-country training programs. Pre-departure orientation covers: program objectives; administrative and policy review; cultural aspects; and training/learning methods (see http://pdf.usaid.gov/pdf_docs/PNADT444.pdf).

g. **Conditions of Sponsorship:** The recipient must ensure that all Exchange Visitors read and sign the Conditions of Sponsorship for U.S.-Based Activities form (AID 1381-6). The recipient must also ensure that all Participants of long-term (six months or longer) third-country training read and sign the form Conditions of Sponsorship for Third-Country Training form (AID 1381-7). The recipient must report to the Agreement Officer any known violations by Exchange Visitors of visa or other immigration requirements or conditions.

- h. **Exchange Visitor Security Risk and Fraud Inquiry:** Each USAID Mission has an established process for conducting a Security Risk and Fraud Inquiry (SRFI) for Exchange Visitors. The recipient must be prepared to assist Missions in conducting the SRFI, if requested. However, the recipient’s role is contributive, and the Mission is ultimately responsible for conducting the SRFI.
- i. **Fly America:** To the extent that participants travel by international air travel, the recipient must comply with the Standard Provision, “International Air Travel and Air Transportation of Property.”
- j. **Use of Minority Serving Institutions:** For U.S.-based Participant Training, the recipient must, to the maximum extent possible, maintain their use of Historically Black Colleges and Universities (HBCUs) and other Minority Serving Institutions (MSIs), including Hispanic Serving Institutions and Tribal Colleges and Universities, as training or education providers.

[END OF PROVISION]

RAA5. Reserved

RAA6. Reserved

RAA7. Reserved

RAA8. Reserved

RAA9. Reserved

RAA10. 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.
 - (1) For any loan over \$1,000 made under this agreement, the recipient must 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.
 - (2) 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.
- c.
 - (1) 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 United

States Government 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.

- (2) The recipient must 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]

RAA11. 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]

RAA12. REPORTING HOST GOVERNMENT TAXES (JUNE 2012)

- a. By April 16 of each year, the recipient must submit a report containing:
 - (1) Contractor/recipient name.
 - (2) Contact name with phone, fax and e-mail.
 - (3) Agreement number(s).
 - (4) The total amount of value-added taxes and customs duties (but not sales taxes) assessed by the host government (or any entity thereof) on purchases in excess of \$500 per transaction of supplies, materials, goods or equipment, during the 12

months ending on the preceding September 30, using funds provided under this contract/agreement.

- (5) Any reimbursements received by April 1 of the current year on value-added taxes and customs duties reported in (iv).
 - (6) Reports are required even if the recipient did not pay any taxes or receive any reimbursements during the reporting period.
 - (7) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.
- b. Submit the reports to: [insert address and point of contact at the Embassy, Mission, or M/CFO/CMP as appropriate, may include an optional “with a copy to”].
 - c. Host government taxes are not allowable where the Agreement Officer provides the necessary means to the recipient to obtain an exemption or refund of such taxes, and the recipient fails to take reasonable steps to obtain such exemption or refund. Otherwise, taxes are allowable in accordance with the Standard Provision, “Allowable Costs,” and must be reported as required in this provision.
 - d. The recipient must include this reporting requirement in all applicable subagreements, including subawards and contracts.

[END OF PROVISION]

RAA13. Reserved

RAA14. Reserved

RAA15. Reserved

RAA16. Reserved

RAA17. 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 U.S. Government 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/PDABO631.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]

RAA18. Reserved

RAA19. Reserved

RAA20. Reserved

RAA21. Reserved

**RAA22. 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.

ADDENDUM (JUNE 2012):

- a. **Exceptions.** The requirements of this provision to obtain a Data Universal Numbering System (DUNS) number and maintain a current registration in the Central Contractor Registration (CCR) do not apply, at the prime award or subaward level, to:
 - (1) Awards to individuals
 - (2) Awards less than \$25,000 to foreign recipients to be performed outside the United States (based on a USAID determination)

- (3) Awards where the Agreement Officer determines, in writing, that these requirements would cause personal safety concerns.

- b. This provision does not need to be included in subawards.

[END OF PROVISION]

**RAA23. 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.bpn.gov/ccr.
 - (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 must 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—
 - (ii) 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
 - (iii) \$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
 - (iv) 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; and
 - (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]

RAA24. Reserved

RAA25. Reserved

**Attachment D.
Branding and Marking Plan**

BRANDING STRATEGY AND MARKING PLAN

Project Title: Yemen Competitive Agriculture Systems for High Value Crops (CASH)

RFA No.: RFA-279-14-000001

Period of Activity: April 15, 2014 – April 14, 2019

Implementing Organization: Land O'Lakes International Development

OVERVIEW

Robust communications are essential to ensuring the success of this \$24.5 million, five-year Volunteers for Economic Growth Alliance (VEGA) program, whose goal is to create sustainable market systems that increase rural incomes and enable poor Yemenis to purchase the food necessary to ensure proper household nutrition and improved food security. More specifically, the program will look to develop high value horticultural chains that can compete with the drug *qat*, which currently consumes half of the country's dwindling water supply. Implemented by Land O'Lakes International Development through VEGA – in partnership with the International Executive Service Corps (IESC), the Coffee Quality Institute (CQI) and Aid to Artisans (ATA) – CASH will help cultivate sustainable markets for Yemeni coffee, honey, horticulture, livestock and handicrafts, with the intention of making efforts commercially profitable and scalable. CASH and its complementary outreach efforts have been structured according to three phases, and several corresponding components:

- ❖ **Phase 1, Project Analytics:** Lasting only three months, this initial phase will focus on engaging in a number of crucial analyses designed to facilitate accelerated implementation in years 2 through 5, including analyses focused on end markets, access to finance, the costs and benefits of investment, the environment and market resources, conflict triggers, in addition to a baseline study of household nutritional impacts, income and household dynamics.
- ❖ **Phase 2, Proof of Concept Pilot Activities:** Following the completion of these analyses, Land O'Lakes and USAID will launch pilot projects focused on high value horticulture, honey, livestock and handicrafts. Through these activities, we will evaluate the extent to which they improve productivity, expand markets and trade, enhance agricultural investments and increase employment.
- ❖ **Phase 3, Commercialize and Scale Select Value Chains:** Finally, from years two through five, the goal will be to bring successful pilot efforts to scale and ensure profitability, through the lens of components focused on the development of market access, value chains and agricultural credit.

Each component of CASH will incorporate outreach efforts that support program deliverables, enhance knowledge management, and help create feedback loops facilitating the timely augmentation of programmatic approaches and activities when needed. This Branding Strategy and Marking Plan provides illustrative examples of the approaches Land O'Lakes will take in its communications strategy as the implementing organization, with more detailed information to be included in the forthcoming work plan.

Land O'Lakes and its partners will make every effort to clearly and consistently convey *USAID's vitally important role on signage and through print materials. At the same time, Yemen's precarious security situation may require that certain sites and activities not be branded, either temporarily or permanently.* Land O'Lakes will also make every effort to ensure that the VEGA brand is also enhanced

through the program, and contains messages that buttress the benefits of working through this LwA mechanism. References to Land O'Lakes will generally be subordinate, and will just clarify that it is the implementer of CASH activities. The determination of whether security considerations need to temporarily or permanently trump branding decisions will be made collaboratively with USAID. In such cases where it has been collaboratively deemed unsafe to display the USAID or VEGA logos, Land O'Lakes will display the Republic of Yemen Government (ROYG) logo:



USAID BRANDING STRATEGY

POSITIONING

In all public communications including events, speeches, press releases, requests for applications (RFAs), annual program statements (APS) and published materials, the project will be referred to as the Competitive Agriculture Systems for High Value Crops in the first instance, and generally by its acronym CASH, thereafter.

Land O'Lakes will always use the VEGA logo below, unless VEGA develops a program-specific VEGA/CASH logo.



Land O'Lakes will take every opportunity to provide maximum exposure to both USAID and VEGA through the CASH program in Yemen. In addition to placing a description of the VEGA alliance on the www.idd.landolakes.com website, we will also provide a link to the www.vegaalliance.org website on all public outreach materials about the program. In all cases, the program will also bear the USAID logo, in equal or greater prominence than the VEGA logo, unless security considerations make the placements of all logos unwise. The USAID logo will always appear on the left and the VEGA logo will appear on the right, as shown below:



Land O'Lakes understands that the use of our own logo will generally be limited to a subordinate placement on internal technical and program reports. For technical and program reports, the USAID/VEGA cobranding will appear at the top of the document, with the reference to Land O'Lakes at the bottom of the cover page, as shown below:



Land O'Lakes will not use our own logo in promotional materials produced with program funds. The Land O'Lakes logo will, however, be included in a subordinate role on headquarters-produced outreach materials (e.g., country fact sheets, newsletters) that are produced using general and administrative (G&A) funds. When tailoring these pieces to suit the needs of Land O'Lakes outreach efforts, it will be made clear that Land O'Lakes is the implementing organization, but that this program has been awarded to VEGA. Regardless of whether CASH materials are produced with program or G&A funds, in the field or at the home office level, all materials will be sent to VEGA and USAID in advance for review, since they will all reference VEGA and USAID.

In any cases where USAID, VEGA and Land O'Lakes have collaboratively determined it is unsafe to place the typical branding described above, the program will brand project sites with the ROYG logo.

In addition to logo placement, USAID will be identified as the sponsor of CASH including through the use of one of the following combinations of tag lines:

- ❖ “(made possible) with the generous support of the American People” for public communications such as banners, signs and communication at public events, conferences and in media, or
- ❖ “From the American People” for program deliverables, reports and studies etc.

AUDIENCE

In order to fully promote effective development strategies that translate into meaningful and lasting agricultural opportunities in Yemen, we intend to engage a diverse audience through program communications, including:

- ❖ Communities at large in the CASH areas of operation
- ❖ Local business and community leaders
- ❖ Chambers of Commerce and business association
- ❖ Vulnerable populations, including women

- ❖ Private sector partners both inside and outside of Yemen
- ❖ Local policymakers and government officials
- ❖ U.S. media, international donors and agencies (secondary)
- ❖ Other implementing partners in Yemen (secondary)

MAIN PROGRAM MESSAGE

While the program's messages will be customized to some extent depending on the audience and the specific communication tools and tactics employed, the general message is as follows:

The American People, through USAID, are helping to create sustainable market systems, increase rural incomes, and improve nutrition and food security for the people of Yemen through the CASH program.

COMMUNICATIONS AND PROGRAM MATERIALS

As described in the overview of this branding strategy and marking plan, communications will be integrated throughout CASH and generated by all program components. While greater specificity will be provided about the communications tools and tactics in the forthcoming detailed work plan, some illustrative examples of program materials that will be created, branded and marked are as follows:

Phase 1: The outputs of all analyses created through Phase 1 – end markets, access to finance, the costs and benefits of investment, the environment and market resources, conflict triggers, in addition to a baseline study of household nutritional impacts, income and household dynamics – will be clearly branded to highlight the support of USAID and the American people. USAID's role will also be verbally communicated when and if the background research for these analyses requires in-person interviews with specific informants and institutions.

Phase 2: During this phase, we will launch pilot projects focused on high value horticulture, honey, livestock and handicrafts, and will evaluate the extent to which they improve productivity, expand markets and trade, increase agricultural investments, and increase employment. All of these pilot activities will be co-branded with USAID and VEGA logos to the extent appropriate for each pilot, unless there is a collaborative decision that security considerations warrant that these sites be branded with the ROYG logo instead. All relevant reports highlighting the findings from these pilot projects will also be clearly co-branded with USAID and VEGA logos. To the extent that pilot activities in the selected value chains include participation in public expos or promotional activities, these efforts will also be appropriately branded with the USAID logo. Similarly, corollary demonstrations of improved agricultural technologies and water irrigation systems, will also be co-branded with the USAID and VEGA identities, provided there is a consensus that this will not present any security concerns. When appropriate, banners highlighting the USAID and VEGA co-branding will also be placed prominently within venues used for training farmers and/or artisans.

Phase 3: Finally, from years two through five, the goal will be to bring successful pilot efforts to scale and ensure profitability, through the lens of components focused on the development of market access, value chains and agricultural credit.

Component 1: Market Access and Development. To the extent possible, based on the types of venues used to host the sector-specific cluster working groups, we will hang banners with the USAID logo making clear the American people's support for this important initiative. More importantly, we envision significant branding and marking opportunities will arise through Activity 1.2, focused on export promotion activities. Participants' booths at public expositions and related marketing materials will all give appropriate recognition to USAID, while information about the program will be woven, to the extent possible, into descriptions of roundtable events and other outreach events. If the CASH work plan moves

forward with current plans to develop a radio program that provides stakeholders with relevant market information, this two will feature a verbal credit noting that the program was made possible by the American people through USAID. The AgPrO tool, already developed by Land O'Lakes through support from USAID, will remain with its current co-branding of USAID and Land O'Lakes International Development logos.

Component 2: Value Chain Development. As part of our efforts to accelerate innovation in the programs focus value chains, we will clearly highlight USAID's critical support in Innovation Solicitations, and at related innovation events, trade shows and TEDx forums. Our outreach through these forums will also be buttressed by robust promotion through social media channels, and efforts to raise awareness about innovations through stories in the domestic and international media, blogs, and existing communications tools used by USAID, Land O'Lakes and our partner organizations. When and if CASH financial resources are brought to bear to realize needed infrastructure improvements through Activity 2.5, we will ensure a plaque is placed outside the venue (security constraints permitting) that will acknowledge that the support for such construction was made possible by USAID. Any printed training materials used to integrate vulnerable households into CASH's key value chains will also be appropriately co-branded with the USAID logo. When and if nutritional messages are placed on billboards and other mass media forums, we will ensure that USAID and the American people receive recognition for such support.

Component 3: Agricultural Credit Development. When approaching potential commercial lenders, IESC will be sure to speak to how the program has been made possible by USAID, and the potential for securing guarantees through USAID's DCA program. Once created, the public materials highlighting the new financial tool will also be branded to reflect USAID support, and Land O'Lakes will seek to conduct media outreach highlighting the success stories and other impacts from this expanded financial support for select Yemeni value chains Training sessions provided by CASH to select microfinance institutions, banks and investors will also bear signage that highlight USAID support, while the training materials used will also be branded.

Other. In addition, Land O'Lakes will be responsible for producing a fact sheet about the program in electronic and hardcopy versions, and writing quarterly success stories that will be posted on its website, as well as on VEGA's and USAID's. Other publications will be considered as the work plan is further fleshed out, to potentially include longer program brochures and/or reports. As discussed above, all outreach materials produced using program funds will be clearly co-branded with VEGA and USAID logos, unless a mutual decision between USAID and CASH implementers regarding security concerns precludes such branding. As noted earlier, Land O'Lakes International Development may produce materials using G&A funds that also use the Land O'Lakes International Development logo, in cases where the template for that specific communication vehicle (e.g., website) cannot be changed.

USAID MARKING PLAN

OVERVIEW

In general, any 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 will be marked with the USAID Identity and will comply with 22 CFR 226.91.

MARKING OF SUB-AWARDS

We will also work to ensure that all sub-awardees fully comply with USAID marking requirements, and will include the following language in any sub-awards:

As a condition of the recipient of the sub-award, marking with the USAID Identity of a size of prominence equivalent to or greater than the recipient's, sub-recipient's, other donor's, or third party is required. In event the recipient chooses not to require marking with its own identity or

log with the sub-recipient, USAID may, at its discretion, require marking by the sub-recipient with the USAID Identity.

This sub-award language will make clear that the recipient logo it must include is the VEGA logo, not the Land O'Lakes International Development logo.

DISCLAIMER LANGUAGE FOR PUBLICATIONS

All studies, reports, publications, web sites, and all informational and promotional products will contain the following provision:

This study/report/Web site (specify) is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents are the sole responsibility of the (name of organization) and do not necessarily reflect the views of USAID or the United States Government.

We will also secure translations of the appropriate disclaimer language in Arabic, when materials are published in a language other than English.

Name of submitting organization:	Volunteers for Economic Growth Alliance (VEGA), through implementing partner, Land O'Lakes International Development.
Name of project:	Competitive Agriculture Systems for High Value Crops (CASH)
USAID reference number, if any: (cooperative/grant agreement number if awarded or RFP/RFA number if not-as-yet awarded)	RFA-279-14-000001
Check one in the next column:	<input type="checkbox"/> awarded cooperative agreement <input type="checkbox"/> awarded grant <input type="checkbox"/> unsolicited proposal <input checked="" type="checkbox"/> solicited proposal (RFA/RFP)
Submitted to:	TBD
Date Marking Plan submitted:	January 20, 2014
Estimate of costs associated with marking this program:	\$26,546
Sub-recipient Marking Plans	Not Applicable

- 1. Description of the public communications, commodities, and program materials that CASH will produce as a part of the project and which will visibly bear the USAID Identity (USAID logo or seal and new brandmark, with tagline reading “From the American people” – available at www.usaid.gov/branding).**

- a. *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).*

As described in detail above, Phase 2 of the program will help to pilot projects focused on high value horticulture, honey, livestock and handicrafts, which will be co-branded with USAID and VEGA logos to the extent appropriate for each pilot, unless there is a collaborative decision that security considerations warrant that these sites be branded with the ROYG logo instead. In addition, any sites used to demonstrate technology innovations – such as improved irrigation methods – will also be appropriately branded.

- b. *Technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, websites/Internet activities and other promotional, informational, media, or communications products funded by USAID.*

All CASH implementers will ensure that its programs, projects, activities, public communications, and commodities are marked appropriately overseas with the USAID identity of a size and prominence equivalent to or greater than the one for VEGA or any other donor's or third party's identity or logo (including the Land O'Lakes logo, when allowable). The only exceptions to USAID branding will arise when there is a mutual agreement between USAID and CASH implementers that security constraints make it unwise to publically brand the program. In such cases, if appropriate, they will instead be branded with the ROYG logo. Brochures, reports, studies and other public communications, as defined in 22 C.F.R. 226.2, funded by USAID, in which the content has not been approved by USAID, will contain the following disclaimer:

“The 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 VEGA and do not necessarily reflect the views of USAID or the United States Government.”

- c. *Events financed by USAID such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences, and other public activities (for example, displaying signs and banners with the USAID Identity, or if the USAID Identity cannot be displayed visually, acknowledging USAID and the American people's support through the spoken word).*

As described in great detail above, we envision a number of opportunities in Phases 2 and 3 for the CASH team to strengthen key value chains and trade by participating in expos, conferences, roundtables, training sessions and other events. Participants' booths and collateral materials will include some level of USAID branding (without usurping their own identities), as will any training materials provided to participants. The CASH team will ensure that all training courses, seminars, workshops and PowerPoint presentations will be marked appropriately overseas with the USAID identity of a size and prominence equivalent to or greater than VEGA's, Land O'Lakes' or any other donor's or third party's identity or logo. In cases when USAID Identity cannot be displayed visually, CASH staff members will ensure acknowledgement of USAID and the American people's support through the spoken word.

CASH staff will also ensure that they coordinate and seek USAID approval for all to press releases, fact sheets and similar promotional materials when organizing events or other public activities, and will use “notes to the editors” as recommended by the specific mission or bureau or both.

d. All commodities financed by USAID, including commodities or equipment (but excluding CASH offices, vehicles, and non-deliverable items for internal use in administration) provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies and other materials funded by USAID and their export packaging.

Not applicable, unless specific equipment is purchased by CASH through Activity 2.5 to effect needed physical market infrastructure for specific value chains. This will be determined alongside the development the detailed work plan, as the program progresses.

2. Table of program deliverables that WILL be marked with the USAID Identity by Land O’Lakes and any sub-recipients.

Included in the table below are (a) the program deliverables that CASH and any sub-recipients will mark with the USAID Identity, (b) the type of marking (for example, plaque or adhesive labels) and what materials will be used to mark the program deliverables with the USAID Identity, (c) when in the performance period the program deliverables will be marked, and (d) where the marking will be placed.

DESCRIPTION OF DELIVERABLE	TYPE OF MARKING AND WHAT MATERIALS	WHEN MARKED	WHERE USAID IDENTITY PLACED
Reports, studies	USAID Identity of a size and prominence equivalent to or greater than VEGA or any other donor or third party’s identity or logo and with a prescribed disclaimer.	When printed	On top left corner of cover page, and on bottom left corner of back page. VEGA on the top right corner of cover page and on the bottom right corner of back page. Land O’Lakes logo will appear in a subordinate size at the bottom center of the cover page, with words indicating it is the implementing organization.
Public page(s) of program funded website (Not expected to be applicable.)	Land O’Lakes will ensure that the main program page of content on the www.idd.landolakes.com website includes co-branded USAID and VEGA logos. Land O’Lakes logo will still remain prominent, as it is incorporated into the site’s overall template and cannot be changed.	When created and made viewable to the public.	We do not expect to develop a discrete CASH website funded through the program. Land O’Lakes will create a page for the CASH program on its existing www.idd.landolakes.com website, which was produced through G&A funds. As such, the site is not co-branded with USAID’s logo.
PowerPoint presentations	USAID identity of a size and prominence equivalent to or greater than VEGA or any other donor or third party’s identity or logo and with a prescribed disclaimer.	When created	On top left corner with VEGA logo placed on the top right corner.
Program Reports	USAID identity of a size and	When	On bottom left corner of cover

DESCRIPTION OF DELIVERABLE	TYPE OF MARKING AND WHAT MATERIALS	WHEN MARKED	WHERE USAID IDENTITY PLACED
	prominence equivalent to or greater than VEGA) or any other donor’s or third party’s identity or logo and with a prescribed disclaimer.	printed	page, and on bottom left corner of back page. VEGA logo on the bottom right corner of cover page and on the bottom right corner of back page. Land O’Lakes logo will appear in subordinate size at the bottom center of the cover page, indicating it is the implementing organization.
Seminars, courses and workshops	Banners and similar promotional tools that bear USAID identity with equal or greater prominence alongside the VEGA logo.	At event	At the entrance or other highly visible locations at events, and on all signage.
Exposition booths and collateral materials for program beneficiaries	In this case, USAID marking will be subordinate to that of the program beneficiary, so as not to create confusion, but will include the USAID brand mark, alongside written language saying, “Funded by.”		This will vary from partner to partner, based on the format of their existing marketing materials.

3. Table of program deliverables that will NOT be marked with USAID Identity by Land O’Lakes and any sub-recipients.

Include in the table (a) what program deliverables will not be marked with the USAID Identity and (b) the rationale for not marking these program deliverables.

CASH requests a Presumptive Exception for the deliverables in the table below.

DESCRIPTION OF DELIVERABLE	RATIONALE FOR NOT MARKING
<p>Potential Presumptive Exception</p> <p>Government policies (Ministry of Agriculture’s), strategies, plans and guidelines or other materials positioned as being from the host-country government.</p> <p>Specific government policies/strategies/plans this might pertain to will be fleshed out in forthcoming work plans.</p>	<p>While we do not expect to develop any specific policies, we are cognizant that CASH is intended to buttress and facilitate the implementation of existing plans and policies of the ROYG and its Social Development Fund. To the extent that we learn that a specific activity or set of efforts have already been publically positioned as being led by the ROYG, we will work with USAID to determine the most sensitive manner in which to publically present that activity and relevant branding, at a minimum ensuring that the ROYG logo appears alongside other branding.</p> <p>As per 320.3.2.5, the rationale for this requested exception relates to the exemption for policies,</p>

DESCRIPTION OF DELIVERABLE	RATIONALE FOR NOT MARKING
	<p>strategies, plans, and guidelines under that rationale that (iii): USAID branding 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 (22C.F.R.226.91(h) 3).</p>
<p>Potential Future Waiver Branding of infrastructure and demonstration sites in Phases 2 and 3</p>	<p>We are acutely aware of the precarious and often fluid security environment in Yemen, including Al-Qaeda and other terrorist groups, as well as actors involved with the <i>qat</i> industry who might take issue with alternative development efforts led by USAID. While it is currently our intention to fully co-brand each site with the USAID identify, we will need to work in partnership with the mission to ensure the safety and security of project staff and local partners remains the highest priority. To the extent that USAID, VEGA, Land O’Lakes or other local partners receive intelligence or threats about potential or similar attacks elsewhere, we will need to discuss with the mission how best to brand (or not) in light of security concerns. As the ultimate brand in question here is that of USAID, we will take the Principal Officer’s lead as to how to nimbly respond to shifts in the security environment, and will work in full compliance of ADS 320.3.2.6 as needed.</p>

**Attachment E.
Travel Schedule**

Land O'Lakes Travel

Purpose	Origin	Destination	# of Travelers	Trips per Traveler	Total Trips
COP Relocation	Nigeria	Yemen	1	1	1
COP to Annual Global Meetings & Training	Yemen	USA	1	5	5
DCOP Relocation	USA	Yemen	1	1	1
Value Chain Advisor Relocation	USA	Yemen	1	1	1
Program Director	USA	Yemen	1	3	3
Program Operations	USA	Yemen	1	2	2
Monitoring & Evaluation	Bangladesh	Yemen	1	3	3
Communications	USA	Yemen	1	1	1
Grants Management	USA	Yemen	1	2	2
IT/IS	USA	Yemen	1	1	1
Security Assessment	USA	Yemen	1	5	5
Finance & Accounting	Kenya	Yemen	1	3	3
Agriculture, Cooperative Development, Gender, Food Systems/Safety	USA	Yemen	3	3	9
Land O' Lakes Total Trips					37

IESC Travel

Purpose	Origin	Destination	# of Travelers	Trips per Traveler	Total Trips
STTA	USA	Yemen	30	1	30
Project oversight & technical support	USA	Yemen	11	1	11
Financial/Investment & Market Exposure Visits	USA	Yemen	73	1	73
IESC Total Trips					114

CQI Travel

Purpose	Origin	Destination	# of Travelers	Trips per Traveler	Total Trips
Coffee board and association devopment	USA	Yemen	1	1	1
Promotional activities & commerical missions	USA	Yemen	1	4	4
Project oversight	USA	Yemen	1	4	4
Expansion of Q system & training	USA	Yemen	1	1	1

Consultant, Lead Instructor	USA	Yemen	1	6	6
Consultant, Assistant Instructor	USA	Yemen	1	6	6
Consultant, Specialty Trainer	USA	Yemen	1	2	2
Consultant, Trade Specialist	USA	Yemen	1	3	3
Consultant, Other	USA	Yemen	1	5	5
Barismo-Roaster Volunteer	USA	Yemen	1	2	2
Promo. Activity/Comm Mission Volunteer	USA	Yemen	1	7	7
Value Chain Cupping Volunteer	USA	Yemen	1	7	7
Farm Production and Processing Volunteer	USA	Yemen	1	2	2
CQI Total Trips					50

ATA Travel

Purpose	Origin	Destination	# of Travelers	Trips per Traveler	Total Trips
Project oversight & technical support	USA	Yemen	16	1	16
IESC Total Trips					16