

Log# 06102082



*Agribusiness in Sustainable Natural
African Plant Products*

SUB-GRANT AGREEMENT

between

**Rutgers State University
("the Recipient")**

and

**Agribusiness in Sustainable Natural African Plant Products
(ASNAPP)**

**under Prime Agreement No. 690-A-00-05-00185-00
from USAID/RCSA (Prime Sponsor)**

This Agreement is entered into subsequent to an agreement entered into by and between the International Institute of Tropical Agriculture based at Ibadan, PMB 5320, Nigeria, hereinafter referred to as "IITA" and Agribusiness in Sustainable Natural African Plant Products, Welgevallen Experimental Farm, Suidwal Street Dennesig, Stellenbosch, 7600 South Africa, hereinafter referred to as "ASNAPP".

Background

USAID/RCSA has decided to fund an Agriculture Research Technology Transfer and Policy Analysis Consortium to operationalize the USAID/RCSA Strategic Objective "Rural Livelihood Diversified." The Consortium will be led by the International Institute for Tropical Agriculture (IITA), and comprises the following organizations:

IITA
CIP
ICRISAT
ICRAF
ASNAPP
IDE
Rutgers University
Alcorn State University
Stellenbosch University

All partners will ensure collaboration and coordination of all funded activities. The involved organizations will work together as a team on the development of technology packages to improve small-holder farmer productivity. Agricultural research on various crop technology packages will be carried out by IITA, ICRAF, ASNAPP, CIP, Rutgers University and Alcorn State University to directly respond to market demands by supporting improved and increased production. The research organizations focus on particular crops with economic growth potential. The research will inform IDE, IITA and ASNAPP as to appropriate technology measures to maximize crop production. Policy analysis by FANRPAN and Iowa State gives direction to research and clarifies marketing issues. Marketing development of the increased production will be promoted by Michigan State University (funded under a separate RCSA agreement) and ASNAPP.

This consortium brings to bear agricultural research (as done by IITA, ICRAF, CIP, ASNAPP and its collaborating partners such as Rutgers University, Alcorn State University and ASNAPP Zambia) to directly respond to market demands by supporting improved and increased production. The implementing partners will develop market strategies with MSU regional coordinator and the ASNAPP supply chain management team to link technology packages to market specifications. All market strategies will be defined through written Memorandum of understanding between the buyers and the farmers' associations. The research and technology development consortium will deliver technology packages to food insecure and small scale commercial farmer associations. The technology packages will include: improved seed, water management technologies and strategies, soil fertilization mechanisms, market linkages and hands on training. Policy dialogue, analysis and advocacy (FANRPAN, ASNAPP, Iowa State University) give direction to research and clarify marketing issues.

WHEREAS, IITA has received the award no. 690-A-00-05-00185-00 (Prime Agreement) from the Regional Center for Southern Africa, United States Agency for International Development, USAID/RCSA (Prime Sponsor),

WHEREAS, Prime Agreement provides authorization and funds for participation of ASNAPP,

WHEREAS, ASNAPP and its collaborating partners have the facilities and skilled personnel necessary to pursue the objectives and fulfill the requirements of this Agreement, and

WHEREAS, the Recipient has agreed to perform a portion of said research as a collaborating institution under this sub-grant relationship.

NOW, THEREFORE, ASNAPP and the Recipient mutually agree as follows:

1. Scope of Work. The Recipient shall use perform the work as described in Exhibit 1 of this Agreement using the attached budget. A revised annual work plan will be submitted to ASNAPP by 14 October 2005. The work plan and any changes to it will have to be approved by ASNAPP in writing. After approval, the work plan will become integral part of this agreement.
2. Period of Performance. The Recipient shall perform the work under this Agreement during the period 1 January 2006 through 30 September 2006.
3. Key Personnel. The scope of work supported by this Agreement shall be under the general guidance and technical direction of ASNAPP's Dr Petrus Langenhoven. The Recipient's Principal Investigator Prof James Simon shall be responsible to the Recipient for the proper management and conduct of the activities hereunder. The Recipient's Principal Investigator shall report technically to the Principal Investigator of ASNAPP (Mr Elton Jeffthas) and may be replaced only with the approval of ASNAPP.
4. Funding. ASNAPP will pay a contribution in an amount not exceeding US\$97,000 to the Recipient for performance of work as described in 1, Scope of Work. In no event shall ASNAPP be liable for reimbursement of any cost that would result in cumulative payment under this Agreement exceeding the total value as established in this clause unless this Agreement is modified in writing in accordance with ~~23, Changes.~~
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The Parties acknowledge that payment from ASNAPP will be conditional on ASNAPP receiving funding for the project and the Recipient at all times complying with its obligations in terms of this agreement. Furthermore, and for avoidance of doubt, ASNAPP shall not be liable to the Recipient in respect of any liability which the Recipient may incur, by reason of the non-payment of any funds hereunder on the due date.
5. Allowable Costs. For the performance of work specified herein, ASNAPP shall pay those expenses incurred by the Recipient in accordance with the budget included in Exhibit 1.
6. Financial Reporting. The Recipient shall submit quarterly financial reports in US dollars for approval by ASNAPP. Financial reports shall be for allowable, approved costs incurred in accordance with the terms of this Agreement. Detailed presentation of these reports identifies, for each budgeted line object, the actual expenditures for the last quarter, not later than 10 days after the end of the quarter. In addition to these reports including estimated "accrual" expenditures (i.e. fund spent but not yet invoiced for), these reports should sufficiently relate to the quarterly technical reports (in format, data headings, etc), that although brief, a succinct /clear understanding of the implemented activities and results can be understood by ASNAPP. ASNAPP must be in receipt of all financial reports under this Agreement, including the final financial report (marked "FINAL"), not later than 20 days after the end of this Agreement. An authorized representative of the Recipient shall certify on each financial report that the costs are the actual costs as recorded in the Recipient's records and as expended for the work actually performed in accordance with the terms of this Agreement.
7. Payment. Payments will be made to the Recipient upon receipt of quarterly financial reports in accordance with the budget included in work plans for the performance of specified activities. ASNAPP will submit quarterly receipts to IITA for reimbursement of allowable costs on a quarterly basis. All payments shall be subject to correction and adjustment upon audit or any disallowance, timely submission of reports, availability of funds from Prime Sponsor and satisfactory performance of work. The Recipient is solely responsible for reimbursing ASNAPP for amounts paid to the Recipient but disallowed under the terms of this Agreement. All payments shall be made by wire transfer. Wire transfer instructions as follows:

Bank Name: Wachovia Bank

To be completed by the recipient

Address 303 Broad Street
Red Bank, NJ 07701

Account Name Rutgers University EFT for Grants & Con
Account No. 2030000112270/031201467
Sort Code N/A
Swift Code N/A
Service Officer Leonard Sullivan, VP
Phone: 732-219-6106
Fax: N/A

8. Audit. ASNAPP, or the Prime Sponsor, or their duly authorized representatives shall, until three years after final payment under this Agreement, have access to any of the Recipient's records related to this Agreement for the purpose of conducting audits. The period of access for records relating to a) appeals under a dispute, b) litigation or settlement of claims arising from the performance of this Agreement, or c) costs and expenses of this Agreement to which exception has been taken shall continue until such appeals, litigation, claims, or exceptions are disposed of. It is planned to conduct an audit at the end of the period of performance.
9. Technical Reporting. The Recipient shall submit quarterly technical reports to ASNAPP, with such reports due no later than 20 days after the end of each quarter. The technical reports shall contain the following information:
- (a) A description of both the activities carried out and the results achieved
 - (b) Any information which may affect future implementation
 - (c) A brief description/plan of activities for the next quarter

The Recipient shall submit a final technical report to ASNAPP no later than 20 days after the end of project with evidence of accomplishments supported with data from PMP/Indicators.

The Recipient shall submit training reports in accordance with USAID guidelines (TRAINET).

The title page of all reports must include a descriptive title, the author's name, prime agreement number, project title, recipient's name, and the issuance date of the report. The Recipient shall submit electronic copies of all technical reports to ASNAPP's Contracts and Grants Office with its address indicated in 10, Authorized Representatives, and a copy to ASNAPP's Principal Investigator.

10. Project Monitoring. The Recipient shall submit its revised program indicators by 31 October 2005 to ASNAPP. The Recipient will pay special attention to OPIN and IEHA performance indicators, and will report on these indicators twice a year (July and November as part of the quarterly technical reports). Indicator reporting will be gender specific. The Recipient must be careful to align program indicators to support NEPAD/CAADP. The Recipient must demonstrate how it will contribute to the goals and objectives of the Last Mile Initiative as well as its contribution to combating HIV/AIDS and malaria. Any changes to the PMP/Indicators must be approved by ASNAPP. Adjustments may be necessary after a project review by the Prime Sponsor around April 2006.

11. Authorized Representatives.

Technical Aspects:

For the Recipient:

the Recipient

*Dr. James E. Simon
Rutgers, The State University
Cook - Plant Biology and Pathology
59 Dudley Road
New Brunswick, N.J. 08901
Tel. (938) 932-9441
Email: jsimon@aesop.rutgers.edu*

For ASNAPP:

Dr Petrus Langenhoven
ASNAPP
Welgevallen Experimental Farm
Suidwal Street
Dennesig, Stellenbosch, 7600, South Africa
Tel. 27-21-808-2918
Email: petrusi@sun.ac.za

Administrative Aspects:

For the Recipient:

Diane Ambrose, Ph.D.
Acting Director
Office of Research &
Sponsored Programs

OFFICE OF RESEARCH & SPONSORED PROGRAMS
RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
3 RUTGERS PLAZA, ASB III
NEW BRUNSWICK, NJ 08901-8559

For ASNAPP:

Mr Elton Jefthas
ASNAPP
Welgevallen Experimental Farm
Suidwal Street
Dennesig, Stellenbosch, 7600, South Africa
Tel. 27-21-808-2918
Email: ejefthas@sun.ac.za

12. Personnel and Travel Policies. The Recipient's normal policies governing salaries, wages and fringe benefits shall apply to all personnel costs paid by the Recipient from this Agreement. The Recipient's published policy on travel and travel reimbursement shall apply to all costs for travel and transportation charged to this Agreement.
13. Precedence. The order of precedence for interpretation shall be this Agreement then the Prime Agreement.
14. Use of Name. Neither the Recipient nor ASNAPP shall make use of this Agreement, or use the other's name or that of any member of the other's staff for publicity or advertising purposes without prior written approval of the other party. This restriction shall not include internal documents available to the public that identify the existence of the Agreement.
15. Assignment. The Recipient shall not assign, transfer or subcontract any responsibility hereunder without the prior written consent of ASNAPP.
16. Non-compliance. ASNAPP may withhold payment of all or part of the funds, or may recover any or all payments, if the Recipient fails to use the funds solely to implement the project described in Exhibit 1 or fails to respect the terms and conditions of this Agreement.

17. Indemnification. The Recipient agrees to indemnify and hold harmless ASNAPP for liability for personal injury or property damage caused by the negligent acts or omissions of the Recipient, its agents or employees in the performance of the work.
18. Insurance Requirements. By signing this Agreement, the Recipient agrees to maintain in force for the duration of this Agreement appropriate types and levels of insurance coverage.
19. Termination. ASNAPP or the Recipient may terminate this Agreement in whole or in part or suspend its implementation in whole or in part upon twenty (20) days written notification to the other party. Upon receiving a termination notice from ASNAPP, the Recipient must take immediate action to cease all expenditures financed under this Agreement and to cancel all unliquidated obligations if possible. The Recipient may not enter into any additional obligations under this Agreement after receiving the notice of termination, other than those reasonably necessary to effect the close out of this Agreement. Within 50 days of the effective date of termination, the Recipient must repay to ASNAPP all unexpended USAID funds that are not otherwise obligated by a legally binding transaction applicable to this Agreement.
20. General Release. The Recipient's acceptance of payment of the final invoice under this Agreement shall release ASNAPP from all claims of the Recipient, and from all liability to the Recipient concerning the work, except where such claims or liabilities arise from any negligent act, error or omission of ASNAPP.
21. Changes. By mutual agreement, the Recipient and ASNAPP may make changes to the work and to the terms of this Agreement. Any such changes shall be in the form of a written amendment signed by authorized contractual representatives of the Recipient and ASNAPP.
22. Settlement of Disputes. Any dispute between the Recipient and ASNAPP concerning the interpretation or application of this agreement which is not settled by negotiation or by some other agreed method shall be referred for final decision to a panel of three arbitrators. One of these arbitrators shall be chosen by the Director, the Recipient, one shall be chosen by ASNAPP and the third, who shall be the Chairperson of the Panel, shall be chosen by the first two arbitrators. This agreement shall be interpreted in the light of its primary purpose: To enable ASNAPP to discharge its responsibilities and to fulfill its obligations fully and efficiently.
23. Severability. The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.
24. Debarment. The Recipient certifies that neither it nor its principles is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any US Federal Department or Agency.
25. International Air Travel and Transportation. The Recipient agrees to comply with the provisions provided in Exhibit 2.
26. Drug Trafficking Clause. The Recipient shall make such reasonable efforts as are necessary to ensure that no funds or other support under this agreement are diverted in support of drug trafficking.
27. Standard Provisions. The provisions listed in Exhibit 3 form part of this Agreement. As ASNAPP is managing the program, all official communication concerning these standard provisions has to be submitted to USAID through ASNAPP.
28. Certifications and Assurances. The Recipient confirms that it is in compliance with the certifications and assurances in Exhibit 4.

29. Environmental Impact Issues. The attached Initial Environmental Examination (IEE) forms part of this agreement (Exhibit 5). The Recipient will be responsible for assuring that it adopts the mitigating measures that are defined in the IEE if its activities fall within the definitions of affected activities.

This Agreement is the complete Agreement of the Recipient and ASNAPP and supersedes all prior understandings regarding the work.


IN WITNESS WHEREOF, the respective parties have executed this Agreement on the dates indicated below.

**AGRIBUSINESS IN SUSTAINABLE NATURAL
AFRICAN PLANT PRODUCTS**


Elton Jeffhas
Director
ASNAPP South Africa

10/04/06
Date

RUTGERS STATE UNIVERSITY


On behalf of recipient
Diane Ambrose, Ph.D.
Actng Director
Office of Research &
Sponsored Programs

4/5/06
Date

This page has been redacted to remove specific details of a research project in accordance with N.J.S.A. 47:1A-1.1 (exempting "pedagogical, scholarly and/or academic research records and/or the specific details of any research project conducted under the auspices of a public higher education institution in New Jersey").

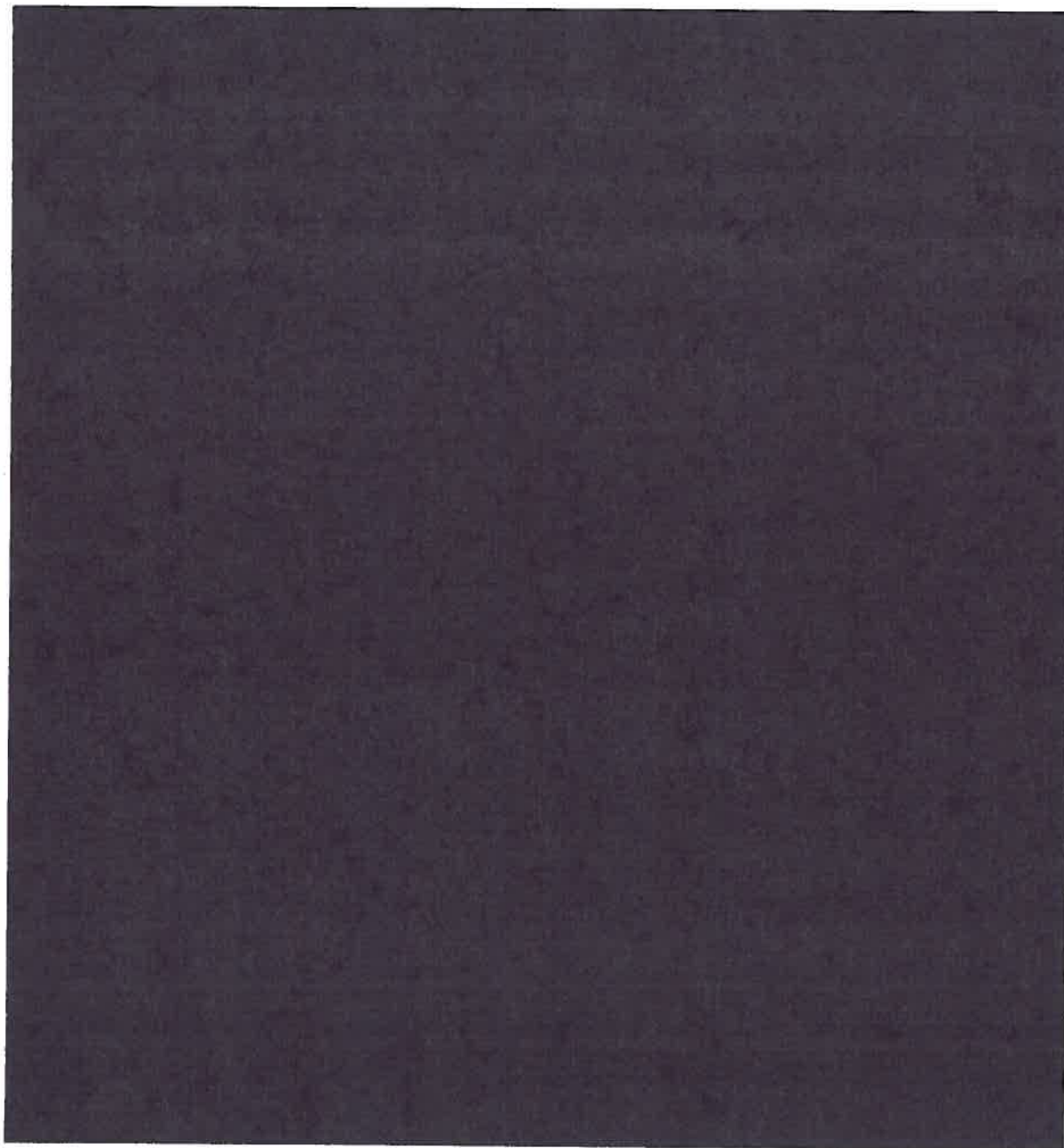
Agreement ASNAPP – Rutgers State University

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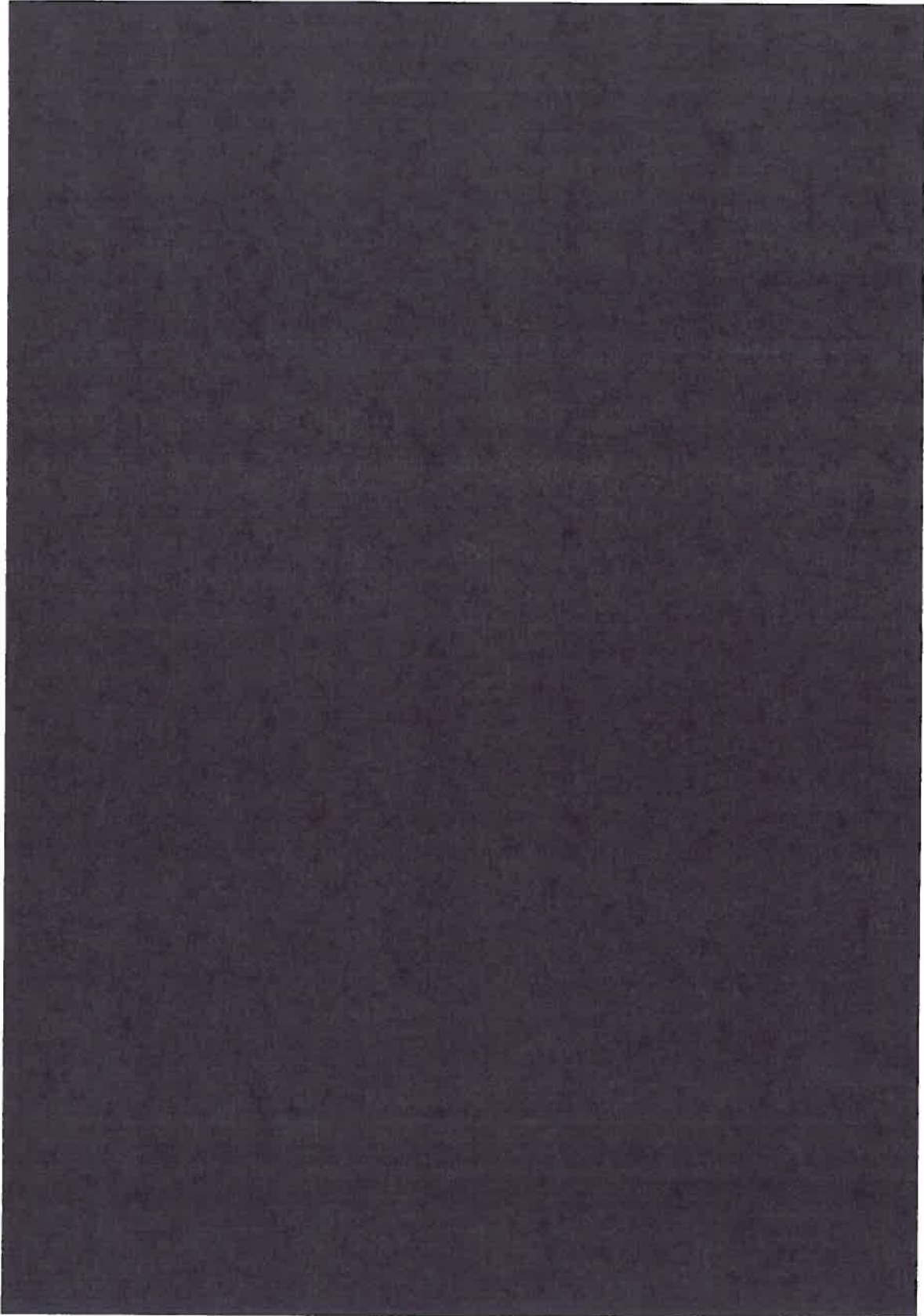
Exhibit 1:

Scope of Work

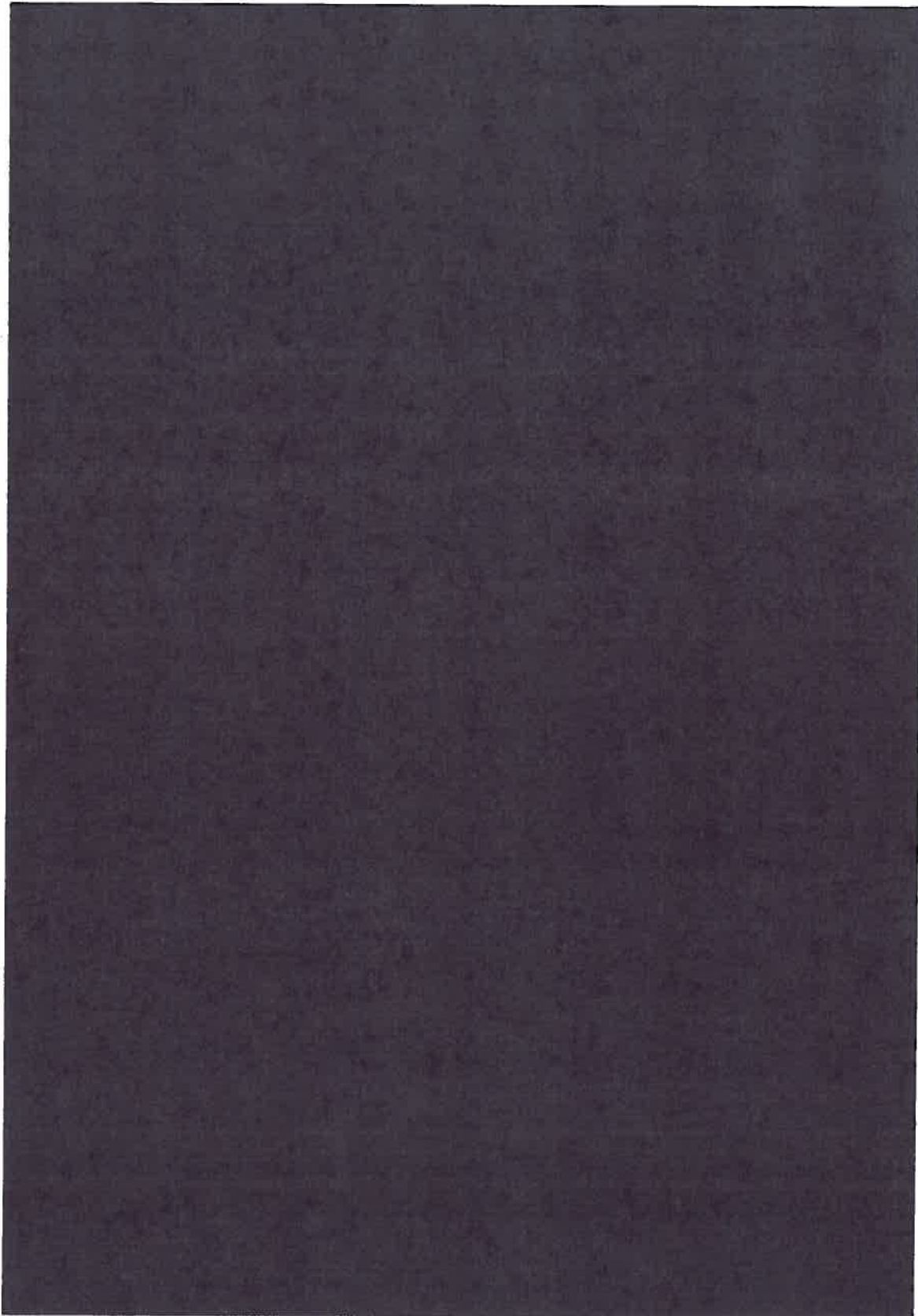
**Rural Livelihood Diversified
Appropriate Germplasm Project
Annual Work Plan 2006
ASNAPP
Project Start Date: January 1, 2006**



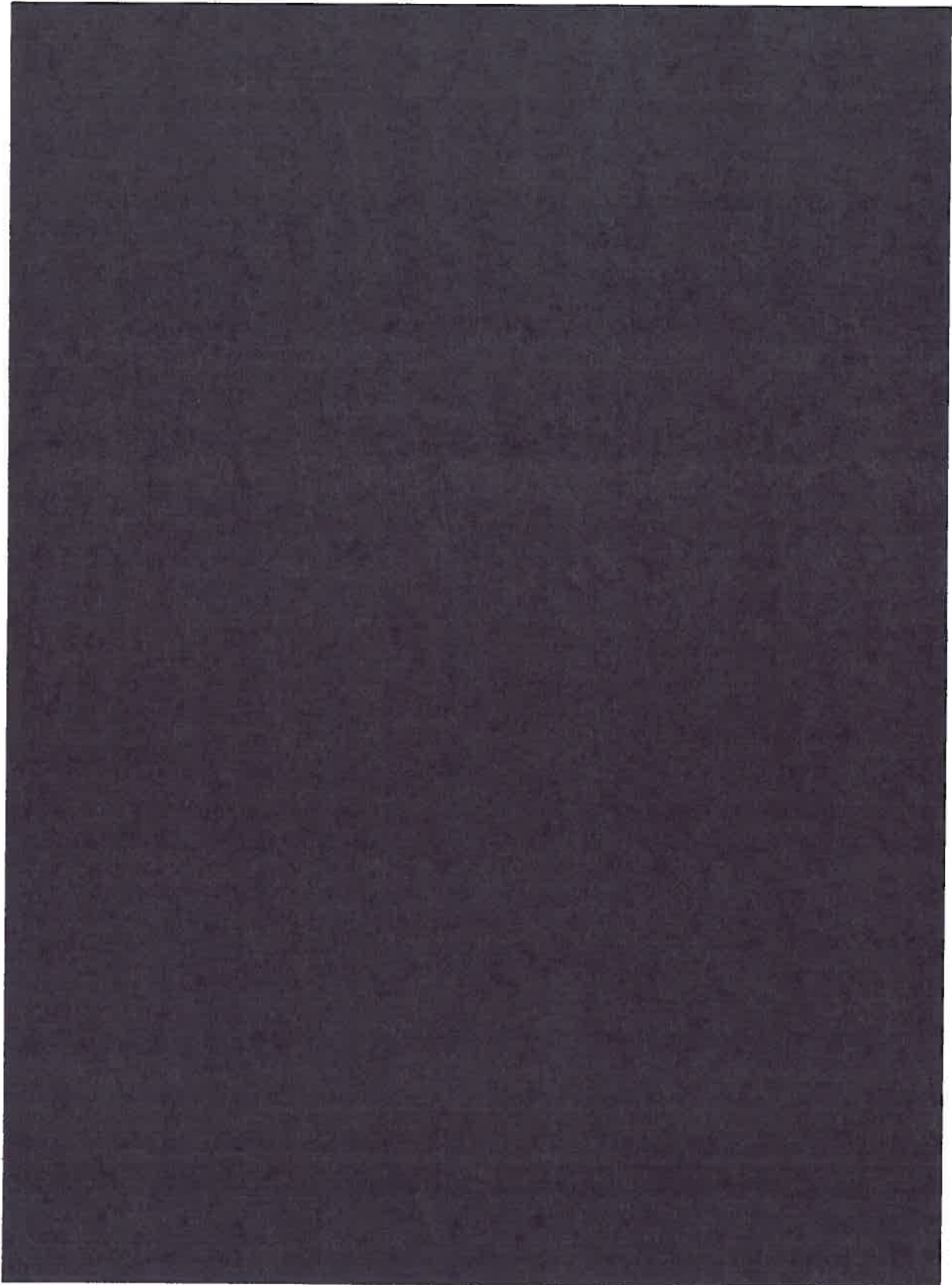
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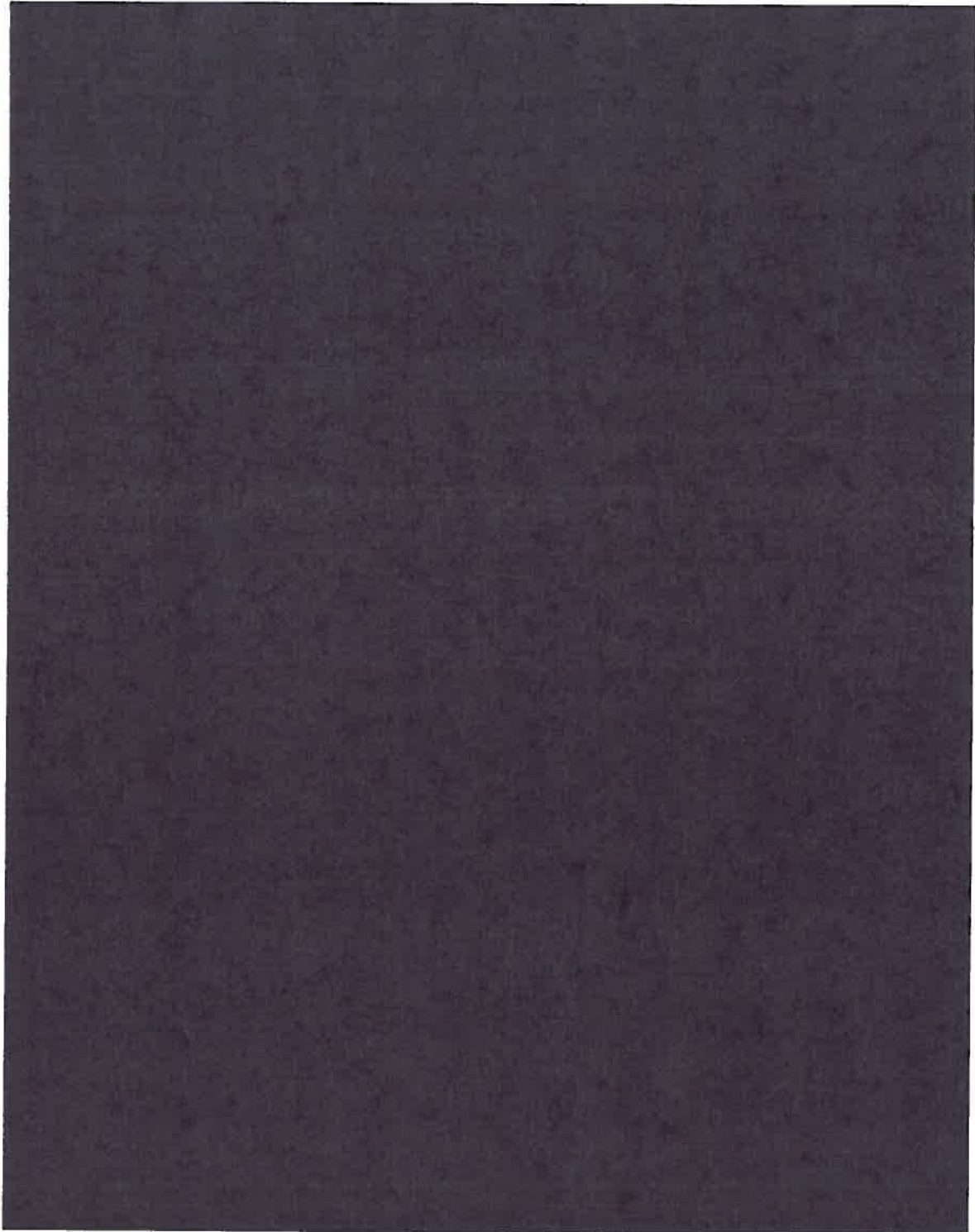
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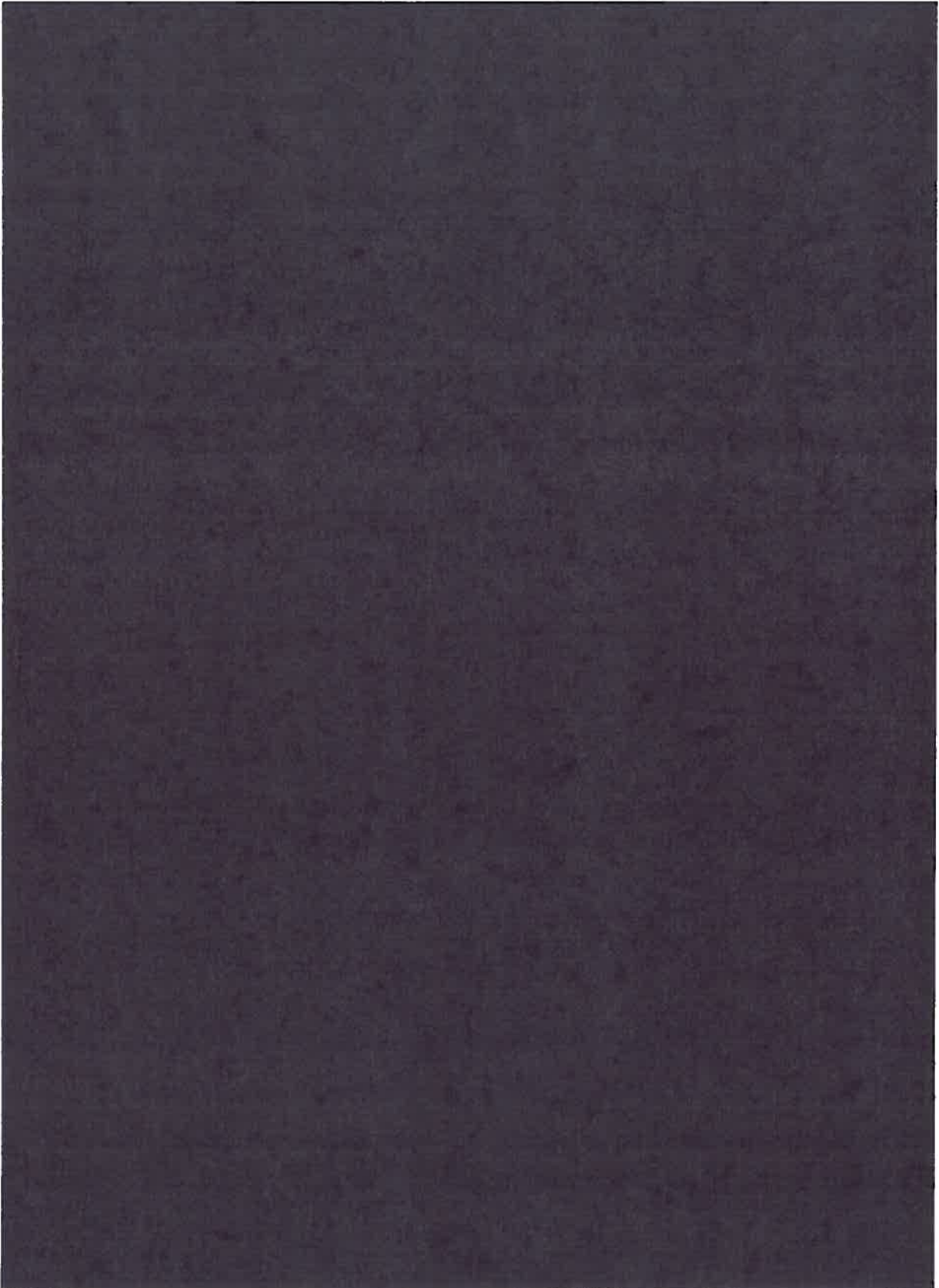
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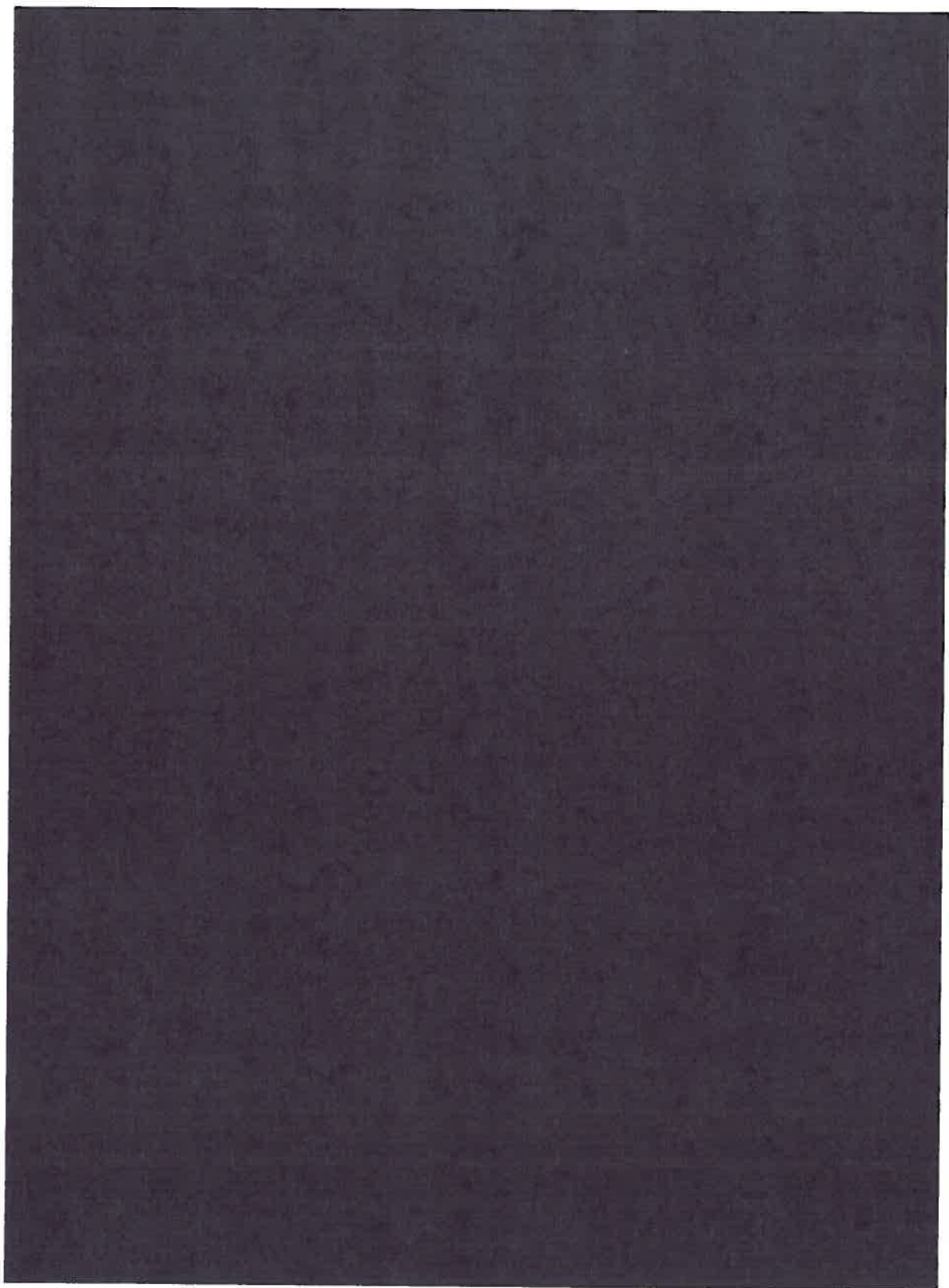
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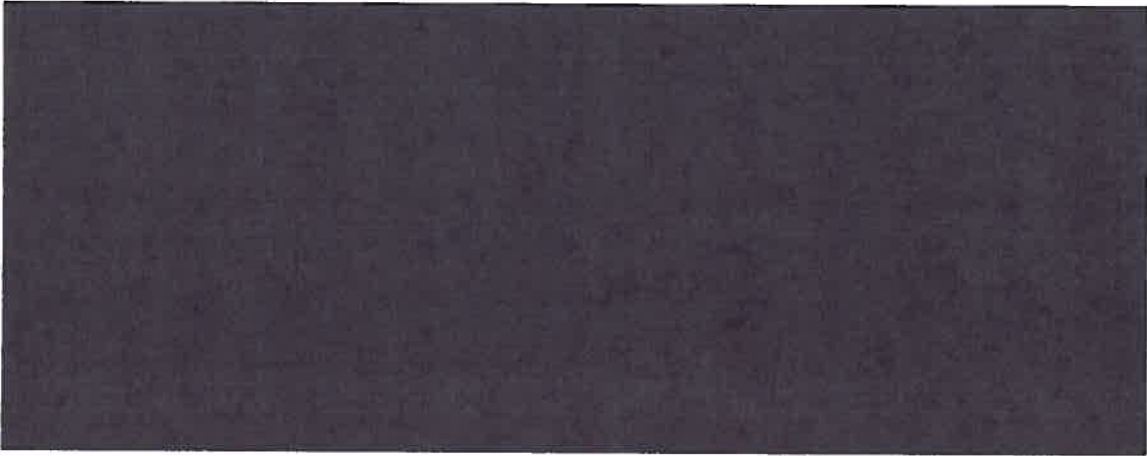
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Budget summary:

Collaborators:

ASNAPP South Africa	\$140 000
ASNAPP Zambia	\$ 73 000
Rutgers University	\$ 97 000
Alcorn State University	\$ 10 000
Total	\$320 000

2005/06 Budget for Rutgers University

Personnel*: **\$49,858**

Dr. Jim Simon (15%FTE)

Dr. Ramu Govindasamy (10%FTE)

Dr. Rodolfo Juliani (25%FTE)

Part-time assistant

*includes mandatory fringe benefits as applicable @ \$5,273

Travel: **\$17,000**

International Travel from the USA to and within Southern Africa

Other Direct costs: **\$30,142**

Short Term technical Assistance	\$ 0
Workshops and training	\$ 0
Project supplies	\$ 8,000
Shipping charges	\$ 1,576
Copying costs	\$ 550
Facilities and Administrative fee	\$20,016

Total Rutgers University **\$97,000**

Budget Narrative

Travel:

International trips from the USA to Southern Africa are planned for Malawi, South Africa and Zambia for technical backstopping and also to Botswana for administrative purposes. While in South Africa, trips are planned to co-host and present at the Essential oil symposium in Stellenbosch, and for Wupperthal (1) (Rooibos tea producing communities).

Dr Rodolfo Juliani and Prof James Simon will travel to Baltimore for the Natural Products Expo East, Sept, 2006. Funds for travel within the USA in support of this initiative will be leveraged by using their PFID/NP project budget.

Project Supplies:

Shipping Costs:

Funds are requested to cover the air shipment of seeds and/or live plants (germplasm) from Rutgers (or directly from commercial seed companies) to southern Africa. These would include but not be limited to the preparation and shipment of vegetative cuttings of mint, other culinary herbs, and aromatic plants and special *Artemisia annua* germplasm.

Facilities and administrative costs:

Costs consist of 26% (off campus rate) of the allocated budget.

Exhibit 2:

International Air Travel and Transportation:

(a) PRIOR BUDGET APPROVAL

In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

- (1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).
- (2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the annual implementation plan (initial or revisions), or amendments to the award; and
- (3) the costs related to the travel are incorporated in the approved budget of the award.

The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph (a) (2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

(b) NOTIFICATION

(1) As long as prior budget approval has been met in accordance with paragraph (a) above, a separate Notification will not be necessary unless:

- (i) the primary purpose of the trip is to work with USAID Mission personnel, or
- (ii) the recipient expects significant administrative or substantive programmatic support from the Mission.

Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

(2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:

- (i) Send a written notice to the USAID Cognizant Technical Officer in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Cognizant Technical Officer to forward the notice to the field.
- (ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.
- (iii) The notification shall contain the following information: the award number, the cognizant Technical Officer, the traveler's name (if known), date of arrival, and the purpose of the trip.
- (iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Cognizant Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a subrecipient is required to issue a Notification, as per this section, the subrecipient may contact the USAID Cognizant Technical Officer directly, or the prime may contact USAID on the subrecipient's behalf.

(c) SECURITY ISSUES

Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before traveling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet.

Where security is a concern in a specific region, recipients may choose to notify the US Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

(d) USE OF U.S.-OWNED LOCAL CURRENCY

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(e) THE FLY AMERICA ACT

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator of General Services Administration (GSA) is authorized to issue regulations for purposes of implementation. Those regulations may be found at 41 CFR part 301, and are hereby incorporated by reference into this award.

(f) COST PRINCIPLES

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials, and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the recipient.

If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

(g) SUBAWARDS

This provision will be included in all subawards and contracts which require international air travel and transportation under this award.

Exhibit 3

Standard Provisions

I. MANDATORY STANDARD PROVISIONS FOR GRANTS TO PUBLIC INTERNATIONAL ORGANIZATIONS

1. Allowable Costs
2. Nonliability
3. Refunds
4. Revision of Grant Budget

1. ALLOWABLE COSTS (DEC 2003)

a. The grantee will be reimbursed for costs incurred in carrying out the purposes of this grant, which are reasonable, allocable, and allowable.

(1) "Reasonable" means those costs that do not exceed those that would ordinarily be incurred by a prudent person in the conduct of normal business.

(2) "Allocable" means those costs that are necessary to this grant.

(3) "Allowable" means those costs that are reasonable and allocable, and that conform to any limitations set forth in this grant.

b. The grantee is encouraged to obtain the Agreement Officer's written determination as to whether the cost will be allowable before incurring a questionable or unique cost.

2. NONLIABILITY (JULY 1988)

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

3. REFUNDS (DEC 2003)

a. If the grantee earns interest on Federal advances before expending the funds for program purposes, the grantee must remit the interest annually to USAID. Interest amounts up to \$250 per year may be retained by the grantee for administrative expenses.

b. Funds obligated by USAID but not disbursed to the grantee before the grant expires or is terminated will revert to USAID, except for funds committed by the grantee to a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee before the time of expiration or termination of the grant must be refunded to USAID, except for funds committed by the grantee to a legally binding transaction applicable to this grant.

c. If, at any time during the life of the grant, or as a result of final audit, it is determined that USAID funds provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee must refund such amount to USAID.

4. REVISION OF GRANT BUDGET (DEC 2003)

a. The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

b. The grantee must immediately request approval from the Agreement Officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

(1) To change the scope or the objectives of the program or to add any new activity.

(2) To revise the funding allocated among program objectives by more than 10 percent of the total budget amount unless the schedule states otherwise.

(3) Additional funding is needed.

- (4) The grantee expects the amount of USAID authorized funds to exceed its needs by more than \$5,000 or five percent of the USAID award, whichever is greater.
- c. Except as required by other provisions of this grant specifically stated to be an exception from this provision, the government will not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee will not be obligated to continue performance under the grant (including actions under the "Termination Procedures" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the Agreement Officer notifies the grantee in writing that such obligated amount has been increased and specifies the new grant total amount.

II. REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR GRANTS TO PUBLIC INTERNATIONAL ORGANIZATIONS

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with ADS 308.3.12.

1. Audit and Records (USAID Sole Contributor)
2. Terrorist Financing Clause
3. Publications and Media Releases
4. Reporting of Foreign Taxes (September 2003)
5. Procurement of Goods and Services (October 1998)
6. USAID Eligibility Rules For Goods and Services (September 1998)
7. Local Procurement (October 1998)
8. Title to and Use of Property (Recipient Title; Over \$50,000) (October 1998)

1. AUDIT AND RECORDS (USAID SOLE CONTRIBUTOR) (DEC 2003)

The grantee is required to maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The grantee agrees to make available to USAID or the Comptroller General of the United States all records and documents that support expenditures made under this program.

2. TERRORIST FINANCING CLAUSE (FEBRUARY 2002)

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

3. PUBLICATIONS AND MEDIA RELEASES (DEC 2003)

(This provision is applicable when publications are financed under the award.)

- a. If the recipient intends to identify USAID's contribution to any publication, video or other information/media product resulting from this award, the product must state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements must identify the sponsoring USAID Office and Bureau or Mission and the U.S. Agency for International Development substantially as follows.

"This [publication, video, or other information/media product (specify)] was made possible through support provided by the Office of _____, Bureau for _____, U.S. Agency for International Development, under the terms of Cooperative Agreement No. 690-A-00-05-00185-00. The opinions expressed in this [publication, video, or other information/media product] are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development."

b. The recipient must provide the relevant strategic objective or results package team with one copy of all published works developed under this award and with lists of other written work produced under the award.

c. Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for U.S. Government purposes.

4. REPORTING OF FOREIGN TAXES (September 2003)

(This provision is applicable to all USAID agreements that obligate or subobligate FY 2003 or later funds except for agreements funded with Operating Expense, Pub. L. 480 funds, or trust funds, or agreements where there will be no commodity transactions in a foreign country over the amount of \$500.)

a. Final and Interim Reports. The recipient must annually submit two reports:

- (1) an interim report by November 17; and
- (2) a final report by April 16 of the next year.

b. Contents of Report. The reports must contain:

- (1) Contractor/recipient name.
- (2) Contact name with phone, fax and email.
- (3) Agreement number(s).
- (4) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year.
- (5) Only foreign taxes assessed by the foreign government in the country receiving U.S. assistance is to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance program for Lesotho involves the purchase of commodities in South Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa).
- (6) Any reimbursements received by the Recipient during the period in (iv) regardless of when the foreign tax was assessed plus, for the interim report, any reimbursements on the taxes reported in (iv) received by the recipient through October 31 and for the final report, any reimbursements on the taxes reported in (iv) received through March 31.
- (7) The final report is an updated cumulative report of the interim report.
- (8) Reports are required even if the recipient did not pay any taxes during the report period.
- (9) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.

c. Definitions. For purposes of this clause:

- (1) "Agreement" includes USAID direct and country contracts, grants, cooperative agreements and interagency agreements.
- (2) "Commodity" means any material, article, supply, goods, or equipment.
- (3) "Foreign government" includes any foreign governmental entity.
- (4) "Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.

d. Where. Submit the reports to: The Controller

USAID/RCSA
Box 2427
Gaborone, Botswana

- e. Subagreements. The recipient must include this reporting requirement in all applicable subcontracts, subgrants and other subagreements.
- f. For further information see <http://www.state.gov/m/rm/c10443.htm>.

5. PROCUREMENT OF GOODS AND SERVICES (OCTOBER 1998)

(This provision is applicable when the procurement element of an award is over \$10,000.)

The recipient may use its own procurement policies and practices for the procurement of goods and services under this award, provided they conform to all of USAID's requirements listed below and the standard provision entitled "USAID Eligibility Rules For Goods and Services".

(a) General Requirements:

(1) The recipient shall maintain a written code or standards of conduct that shall govern the performance of its employees engaged in the awarding and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such conflict would arise when the employee, officer or agent, or any member of the employee's immediate family, the employee's partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subagreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements. Contracts shall be made to the offeror whose offer is responsive to the solicitation and is most advantageous to the recipient, price, quality, and other factors considered. Solicitations shall clearly establish all requirements that the bidder or offeror shall fulfill in order to be evaluated by the recipient. Any and all offers may be rejected when it is in the recipient's interest to do so.

(3) All recipients shall establish written procurement procedures. These procedures shall provide, at a minimum, that:

- (i) Recipients avoid purchasing unnecessary items,
- (ii) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement, and
- (iii) Solicitations for goods and services provide for all of the following:
 - (A) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
 - (B) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
 - (C) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
 - (D) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
 - (E) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
 - (F) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
- (iv) Positive efforts shall be made by the recipients to utilize U.S. small business, minority owned firms, and women's business enterprises, whenever possible. Recipients of USAID awards shall take all of the following steps to further this goal:

- (A) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises. To permit USAID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under the award, the recipient shall to the maximum extent possible provide the following information to the Office of Small and Disadvantaged Business Utilization (OSDBU/MRC), USAID, Washington, D.C. 20523, at least 45 days prior to placing any order or contract in excess of \$100,000:
- (a) Brief general description and quantity of goods or services;
 - (b) Closing date for receiving quotations, proposals, or bids; and
 - (c) Address where solicitations or specifications can be obtained.
- (B) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- (C) Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises when a contract is too large for one of these firms to handle individually.
- (D) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms, and women's business enterprises.
- (v) The type of procurement instruments used, (e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts), shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.
- (vi) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources, or accessibility to other necessary resources. Contracts shall not be made with firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the recipient with copy of this list upon request.
- (vii) Recipients shall, on request, make available for USAID, pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:
- (A) A recipient's procurement procedures or operation fails to comply with the procurement standards in this part, and
 - (B) The procurement is expected to exceed \$10,000.
- (viii) The recipient shall document some form of price or cost analysis in its procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.
- (ix) Procurement records and files for purchases in excess of the recipient's own small purchase threshold shall include the following at a minimum:
- (A) Basis for contractor selection;
 - (B) Justification for lack of competition when competitive bids or offers are not obtained, and;
 - (C) Basis for award cost or price.
- (x) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions, and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions, and specifications of the contract.

(b) The recipient shall include, in addition to provisions to define a sound and complete contract, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient, including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) All negotiated contracts (except those for less than the recipient's small purchase threshold) awarded by the recipient shall include a provision to the effect that the recipient, USAID, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(4) In all contracts for construction or facility improvement awarded for more than \$100,000, the recipient shall observe generally accepted bonding requirements.

(5) Contracts, the principal purpose of which is to create, develop, or improve products, processes, or methods; or for exploration into fields that directly concern public health, safety, or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by the U.S. Government, shall contain a notice to the effect that matters regarding rights to inventions, intellectual property, and materials generated under the contract are subject to the regulations included in these award provisions. The contractor shall be advised as to the source of additional information regarding these matters.

6. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (SEPTEMBER 1998)

(This provision is applicable when the costs for goods or services will be paid for with USAID funds. This provision is not applicable if the recipient is providing for the goods or services with private funds as part of a cost-sharing requirement, or with Program Income generated under the award)

(a) Ineligible and Restricted Goods and Services: USAID's policies on ineligible and restricted goods and services are contained in ADS Chapter 312. (See ADS 312)

(1) Ineligible Goods and Services. Under no circumstances shall the recipient procure any of the following under this award:

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this award shall not be used to procure any goods or services furnished by any firm or individual whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the recipient with this list upon request.

(3) Restricted Goods. The recipient shall not procure any of the following goods and services without the prior approval of the Agreement Officer:

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

Prior approval will be deemed to have been met when:

- (i) The item is of U.S. source/origin;
- (ii) The item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and
- (iii) The costs related to the item are incorporated in the approved budget of the award.

Where the item has not been incorporated into the award as described above, a separate written authorization from the Agreement Officer must be provided before the item is procured.

(b) Source, Origin, and Nationality: The eligibility rules for goods and services based on source, origin, and nationality are divided into two categories. One applies when the total procurement element during the life of the award is over \$250,000 and the other applies when the total procurement element during the life of the award is not over \$250,000, or the award is funded under the Development Fund for Africa (DFA) regardless of the amount. The total procurement element includes procurement of all goods (e.g. equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source, origin and nationality are contained in 22 CFR 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by the Agency for International Development, which is incorporated into this Award in its entirety. A copy will be provided upon request.

(1) For DFA funded awards or when the total procurement element during the life of the award is valued at \$250,000 or less, the following rules apply:

(i) The authorized source for procurement of all goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free World," and such goods and services must meet the source, origin and nationality requirements set forth in 22 CFR 228 in accordance with the following order of preference:

- (A) The United States (USAID Geographic Code 000),
- (B) The Cooperating Country,
- (C) USAID Geographic Code 941, and
- (D) USAID Geographic Code 935.

(ii) Application of Order of Preference: When the recipient procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(i) above, the recipient shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the recipient's documentation:

- (A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (C) Compelling local political considerations precluded consideration of U.S. sources,
- (D) The goods or services were not available from U.S. sources, or
- (E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.

(2) When the total procurement element exceeds \$250,000, (unless funded by DFA), the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars, which will be reimbursed under this award must meet the source, (including origin) and nationality requirements set forth in 22 CFR 228 for the authorized geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 000, the United States.

(c) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by USAID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources in order of preference:

- (1) The United States (USAID Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (USAID Geographic Code 941),
- (4) "Special Free World" countries (USAID Geographic Code 899).

(d) If USAID determines that the recipient has procured any of these specific restricted goods under this award without the prior written authorization of the Agreement Officer, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

(e) This provision will be included in all subagreements which include procurement of goods or services which total over \$5,000.

7. LOCAL PROCUREMENT (OCTOBER 1998)

(This provision is applicable when goods or services are procured under the award.)

(a) Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers, or producers, with payment normally being in the currency of the cooperating country. Regardless of which source, origin, and nationality rules in paragraph (b) of the Provision entitled "USAID Eligibility Rules for Goods and Services" apply, these rules may be followed for local procurement. Rules on Ineligible and Restricted goods continue to apply.

(b) Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in the Standard Provision "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:

(1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.

(2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.

(3) Professional services contracts estimated not to exceed \$250,000.

(4) Construction services contracts estimated not to exceed \$5,000,000.

(5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:

(i) Utilities including fuel for heating and cooking, waste disposal and trash collection;

(ii) Communications - telephone, telex, fax, postal and courier services;

(iii) Rental costs for housing and office space;

(iv) Petroleum, oils and lubricants for operating vehicles and equipment;

(v) Newspapers, periodicals and books published in the cooperating country;

(vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.

(c) The coverage on ineligible and restricted goods and services in the standard provision entitled, "USAID Eligibility Rules for Goods and Services," also apply to local procurement.

(d) This provision will be included in all subagreements where local procurement of goods or services will be financed with USAID funds.

8. TITLE TO AND USE OF PROPERTY (RECIPIENT TITLE; OVER \$50,000) (OCTOBER 1998)

{This provision is applicable only when title to property is vested in the recipient and over \$50,000 in equipment is expected to be procured with USAID funds. Equipment is defined as any tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.)

(a) Title to all property financed under this award shall vest in the recipient.

(b) The recipient agrees to use and maintain the property for the purpose of the award in accordance with the following procedures:

1) The recipient shall not use equipment acquired with U.S. Government funds to provide services to non-U.S. Government outside organizations for a fee that is less than private companies charge for equivalent services.

2) The recipient shall use the equipment in the program for which it was acquired as long as needed, whether or not the program continues to be supported by U.S. Government funds and shall not encumber the property without approval of USAID. When no longer needed for the original program,

the recipient shall use the equipment in connection with its other Federally-sponsored activities, in the following order of priority:

- i) Activities sponsored by USAID, then
- ii) Activities sponsored by other U.S. Government agencies.
- 3) During the time that equipment is used on the program for which it was acquired, the recipient shall make it available for use on other programs if such other use will not interfere with the work on the program for which the equipment was originally acquired. User charges shall be treated as program income.
- 4) When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Agreement Officer.
- 5) The recipient's property management standards for equipment acquired with U.S. Government funds and federally-owned equipment shall include all of the following:
 - i) Equipment records shall be maintained accurately and shall include the following information:
 - A) A description of the equipment,
 - B) Manufacturer's serial number, model number, U.S. Government stock number, national stock number, or other identification number;
 - C) Source of the equipment, including the award number;
 - D) Whether title vests in the recipient, the U.S. Government or other specified entity;
 - E) Acquisition date (or date received, if the equipment was furnished by the U.S. Government) and cost;
 - F) Information from which one can calculate the percentage of U.S. Government participation in the cost of the equipment (not applicable to equipment furnished by the U.S. Government);
 - G) Location and condition of the equipment and the date the information was reported;
 - H) Unit acquisition cost;
 - I) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensated USAID for its share.
 - ii) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
 - iii) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft shall be investigated and fully documented and the recipient shall promptly notify the Agreement Officer.
 - iv) Adequate maintenance procedures shall be implemented to keep the equipment in good condition;
 - v) Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.
- 6) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards:
 - i) For equipment with a current per unit fair market value of \$5,000 or more, the recipient may retain the equipment for other uses provided that compensation is made to USAID for its share.
 - ii) If the recipient has no need for USAID-financed equipment, the recipient shall request disposition instructions from the Agreement Officer.
 - A) If so instructed or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse USAID its share. The recipient shall be permitted to deduct and retain from the USAID share \$500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.
 - B) If the recipient is instructed to ship or otherwise dispose of the equipment, the recipient will be reimbursed by USAID for reasonable expenses incurred in disposition.
 - (c) USAID reserves the right to transfer the title to USAID or a third party. The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing by the Agreement Officer. When USAID exercises its right to take title, the equipment shall be subject to the Standard Provision entitled "Title to and Care of Property" (U.S. Government Title).
 - (d) Within 90 calendar days after the date of completion of the award the recipient shall submit an inventory of all property with the final performance report. The final inventory shall list all equipment acquired with award funds or received from USAID.

- (e) Title to supplies and other expendable equipment shall vest in the recipient upon acquisition. If there is a residual inventory of new/unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other U.S. Government-sponsored project or program, the recipient may retain the supplies but must compensate USAID for its share. The recipient shall not use supplies acquired with USAID funds to provide services to outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by U.S. Government statute as long as the U.S. Government retains an interest in the supplies.
- (f) Recipients shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with Federal funds as provided to property owned by the recipient.
- (g) If the purchase of real property (meaning land, land improvements, structures, and appurtenances thereto) is supported under the award, separate instructions will be provided to the recipient by the Agreement Officer.

Exhibit 4

Certifications and Assurances of Applicant/Grantee^{1 2}

1. ASSURANCE OF COMPLIANCE WITH LAWS AND REGULATIONS GOVERNING NON-DISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

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

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

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

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

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

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

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

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

2. CERTIFICATION REGARDING LOBBYING

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

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

¹ Rev. 06/26/99

² When these Certifications, Assurances, and Other Statements of Applicant/Grantee are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient," "Grant" means "Cooperative Agreement," and "Grant Officer" means "Agreement Officer."

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

Exhibit 5

**INITIAL ENVIRONMENTAL EXAMINATION
&
REQUEST FOR CATEGORICAL EXCLUSION**

PROGRAM/ACTIVITY DATA:

Program/Activity Number: 690-0015
Country/Region: Regional Center for Southern Africa (RCSA)
Program/Activity Title: SO 15: Rural Livelihoods Diversified in Southern Africa (Rural Livelihoods Activity)

Funding Begin: FY04 **Funding End:** FY10 **LOP Amount:** \$ 58,148,793_____

Sub-Activity Amount: \$ _N/A_____

IEE Prepared By: Jeremy N. Burgess & Karen Menczer, Independent Consultants, and Jerry Brown, RCSA

Current Date: June 3, 2004

IEE Amendment (Y/N): _N_ If "yes", Filename & date of original IEE __n/a__

ENVIRONMENTAL ACTION RECOMMENDED: (Place X where applicable)

Categorical Exclusion: __X__ **Negative Determination:** __X__
Positive Determination: _____ **Deferral:** _____

ADDITIONAL ELEMENTS: (Place X where applicable)

CONDITIONS __X__ **PVO/NGO:** __X__

SUMMARY OF FINDINGS:

The Rural Livelihoods (RL) Activity under SO 15 is based on diversifying crops and livestock in order to increase the incomes of small-scale commercial farmers and resource poor farmers through increased production and sales of agricultural products. The RL Activity will support the Presidential Initiative to End Hunger in Africa (IEHA), promoting regional synergies and complementarities from effective coordination and monitoring of IEHA programs in Southern Africa.

The RL Activity comprises three components and 13 interventions. One additional intervention is included under the Program Support Objective (PSO). The components and interventions are summarized below with the recommended environmental threshold determinations for each component.

1. Component 1: Production Support Services. Interventions include (1) Economic Research & Policy Harmonization, (2) Biotechnology Research & Bio-safety Policy Advocacy, (3) Research & Technology Transfer, (4) Appropriate Germplasm, and (5) Information and Communication Technology (ICT) to support interventions 1-4. With the exceptions of (2) Biotechnology Research & Bio-safety Policy Advocacy, (3) Research & Technology Transfer, and aspects of (4) Appropriate Germplasm, the illustrative interventions included in Component 1 will not directly affect the environment and can be categorically excluded from additional environmental review on the basis of the following:

- a. **Categorical exclusions** are recommended for (a) education, technical assistance, training (216.2(c)(2)(i)), (b) analyses, studies, and workshops (216.2(c)(2)(iii)), (c) information transfers

(216.2(c)(2)(v)), as well as (d) studies, projects or programs intended to develop the capability of recipient countries and organizations to engage in development planning (22 CFR 216.2(c)(2)(xiv)).

- b. **Negative threshold determinations with conditions**, per 22 CFR 216.3(a)(2)(iii), are recommended for interventions (2) Biotechnology Research & Bio-safety Policy Advocacy, (3) Research & Technology Transfer, and (4) Appropriate Germplasm. The conditions are laid out below.

(i) **For Intervention (2), Biotechnology Research and Bio-safety Policy Advocacy**, the **conditions** are that no biotechnology testing or release of any kind can take place until the host country (countries) has (have) drafted and approved a regulatory framework governing biotechnology and bio-safety. This intervention includes assistance in the development of regulations on the testing and use of GMOs. Illustrative interventions will mainly involve technical assistance, training and workshops, and studies and analyses. Any controlled experimentation for the purpose of research and field evaluation would be conducted in South Africa, which is the only country in the region that has an approved regulatory framework governing biotechnology and bio-safety. In addition, interventions that involve biotechnologies shall conform to the USAID ADS 211 - *Biosafety Procedures for Genetic Engineering Research* (in draft as of mid-2004), which describes the required written approval procedures needed before transferring or releasing GE products to the field. The USAID Biosafety "first review and reporting requirements" are summarized below in Sect. 4.3.

(ii) **For Intervention (3), Research & Technology Transfer**, **conditions** apply because this intervention may include the following types of activities that could warrant additional environmental review:

Assistance in Procuring or Using Fertilizers with the condition that this support is confined to "small-scale" and is located where threatened or endangered species or their habitat, and other sensitive habitats, including protected areas and wetlands, will not be adversely impacted. In addition, this negative threshold decision is recommended based on the understanding that assistance in the use of fertilizers will not include support for the procurement of "quantity imports" of fertilizers. The implementing partner should seek guidance on small-scale and quantity imports. More detail is provided in Sect. 4.2.

Assistance in Procuring or Using Pesticides, including their procurement, use, transport, storage or disposal, shall occur only under the following conditions:

- Any pesticide activity considered under this program would necessitate the preparation and approval of a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP), in accordance with AFR Bureau guidance and fulfilling all analytical elements required by 22CFR216.3(b), USAID's Pesticide Procedures.
- Any assistance shall be limited to "small-scale" use and to pesticides registered with the USEPA for the same or similar uses without restriction.
- An amended IEE must be submitted to and approved by the Africa Bureau Environmental Officer prior to using or procuring pesticides (including TA and training in pesticide use and management).

Diversification of Crop-Livestock Systems with the condition that livestock systems be limited to the care, management and breeding of small ruminants and poultry and that this intervention only take place at very low densities in rural areas. Animal populations per household should be insignificant in terms of density and possible issues with nitrate pollution from livestock. In addition, steps should be taken to ensure that land unsuitable for agriculture (forest, wetland, and other sensitive habitats) shall not be cleared to support crop or livestock diversification. See Section 4.2 for details.

Assistance in Constructing and Managing Irrigation Systems. While 22 CFR 216 does not provide guidance regarding what is considered small versus large-scale, an Environmental Review Report (ERR) [see Environmental Guidelines for Small-Scale Activities in Africa (EGSSAA), Part III

(www.encapafrika.org/SmallScaleGuidelines/) will be required at a site and activity-specific level that describes the intervention, potential environmental consequences, and recommends mitigation measures. At the discretion of the REA/MEO, a determination will be made of the scale of the intervention and the range and significance of impacts and, based on this analysis, whether additional environmental review will be necessary.

(iii) Intervention (4), Appropriate Germplasm:

Seed Sector Development, R&D to Identify Genetic Material. SME food processors, traders and exporters, supported research institutions, NGOs and suppliers shall 1) ensure appropriateness for the agroclimatic zone to which they are being introduced, 2) avoid providing or promoting genetically modified organisms (GMOs), 3) avoid introducing exotic invasive species, and 4) avoid introduction of non-native plants into protected areas.

This requires identifying and mitigating any potential direct adverse impacts on the physical environment and human health and safety (such as those due to aflatoxin contamination) arising from distribution of free seeds.

Food Processing of Raw Agricultural Products. Food manufacturers must use plant varieties that maximize processing efficiency and take measures as appropriate to ensure process efficiencies and cleaner production technologies and pollution prevention. It is recommended that for all activities relating to the expansion of microfinance and/or micro enterprise to be subjected to environmental review. The ERR form in the EGSSAA can be tailored as needed, to assist in identifying potential environmental impacts that are likely to occur as a result of such micro enterprise activities. The ERR helps to classify such potential impacts into low risk medium risk and high risk categories. Mitigation measures must be identified for all medium and high risk categories. Again, see the EGSSAA Part III, "Guidelines for Micro and Small Enterprises." In addition, the SO team leader shall visit all such projects during implementation to ensure that they are not likely to cause any adverse environmental impacts, with a view to correcting and or initiating additional mitigation measures.

An environmental management course entitled "Improving Micro- and Small Enterprise Success through Cleaner Production" is recommended for SO 15 partners. See <http://www.encapafrika.org/coursepage.htm>. This provides an opportunity to provide leadership and innovation in environmental capacity-building for business service organizations (BSOs) that assist small and medium enterprises (SMEs).

Livestock Breeding: RCSA will support the multiplication of small ruminants (primarily goats) and poultry for use by resource-poor farmers. RCSA or its contractors/grantees must deliver a package of technologies to the farmer that addresses issues of sustainability and optimized management, so the farmer knows how to maximize livestock resources. The conditions described above regarding crop-livestock interventions need to be applied here as well.

2. Component 2: Marketing Support Services. Interventions include (1) Plant and Animal Health and Sanitation, (2) Market Linkages, (3) Agri-nutrition Pilots, (4) Markets and Seed Enterprise Development, and (5) ICT support for Interventions 1-4. Most aspects of these illustrative interventions will not directly affect the environment and are categorically excluded from additional environmental review on the basis of the following, to the extent that they do not involve activities directly affecting the environment (such as construction):

a. Categorical exclusions apply to: technical assistance and training in support of activities that will not directly affect the environment (216.2(c)(2)(i)), controlled experimentation for the purposes of research and field evaluation-except for biotechnology research (216.2(c)(2)(ii)), analyses, studies, and workshops (216.2(c)(2)(iii)), information transfers (216.2(c)(2)(v)), and studies, projects, or programs intended to develop the capability of recipient countries to engage in development planning (216.2(c)(2)(xiv)).

b. Negative threshold decisions with conditions, per 22 CFR 216.3(a)(2)(iii), are recommended for: **Component 2. intervention (1):**

(i) Intervention (1), Plant and Animal Health & Sanitation

Conditions: To the extent that enhancing competitiveness in sectors such as fresh horticultural product marketing might invoke pesticide or other chemical use (safer use issues), or purchase of refrigeration units (avoid chlorofluorocarbon refrigerants), or enterprise expansion, and to the extent within the manageable interest of USAID/RCSA, it will be necessary to monitor for unintended downstream consequences of a wildly successful program (see Section 3) and address mitigation measures as apt, for example should USAID programs influence the marketing of pesticide products.

A key resource that should inform the SO team and its implementing partners in their design and implementation of these activities is the EGSSA, <http://www.encapafrica.org/SmallScaleGuidelines.htm>, e.g., Pesticides Safer Use chapter).

Animal Pathogen Detection.

Conditions: Should this program invoke quarantine infrastructure, handling and administration of veterinary drugs (vaccination) and resulting hazardous waste management issues, or possibly development of vaccines thorough GMO approaches, then appropriate measures should be taken to avoid or mitigate unintended environmental harm. Again the SO team and its implementing partners must consider in their design and implementation of the activities the apt section of the EGSSAA, <http://www.encapafrica.org/SmallScaleGuidelines.htm>.

Likewise, technology development and dissemination involving genetically modified vaccines should be subject to the appropriate USAID and host country review procedures. Prior to irreversible commitment of funds to activities potentially involving GMOs in research, field trials or dissemination, the appropriate USAID Biosafety Procedures will be addressed. Likewise, approval will be sought as appropriate from the cognizant national biosafety authority. See above discussion on GMOs.

3. Component 3: Disaster Management & Mitigation. Interventions include (1) bridging financial support and (2) capacity building for FEWSNET, which provides a vital early warning system for farmers in the Southern Africa region. This intervention will not directly affect the environment and is categorically excluded from additional environmental review on the basis of the following:

a. **Categorical Exclusions apply to:** education, technical assistance, and training (216.2(c)(2)(i)), analyses, studies, and workshops (216.2(c)(2)(iii)), information transfers (216.2(c)(2)(v)), contributions to international, regional, or national organizations which are not for the purpose of carrying out a specifically identifiable project (216.2(c)(2)(vi)), and programs intended to develop the capability of recipient countries to engage in development planning (216.2(c)(2)(xiv)).

4. Support for the PSO includes one intervention: HIV/AIDS education and nutrition programs. This intervention will not directly affect the environment and is categorically excluded from additional environmental review on the basis of the following:

Categorical Exclusions apply to: education, technical assistance, and training (216.2(c)(2)(i)), analyses, studies, and workshops (216.2(c)(2)(iii)), information transfers (216.2(c)(2)(v)), contributions to international, regional, or national organizations which are not for the purpose of carrying out a specifically identifiable project (216.2(c)(2)(vi)), and programs intended to develop the capability of recipient countries to engage in development planning (216.2(c)(2)(xiv)).

Potential Environmental Consequences at the Overall SO/Activity Level. As stated earlier, the RL Activity will provide opportunities for farmers and the agricultural support industry to increase incomes. This may provide incentives to increase the land area under agricultural production, placing increased pressure on sensitive habitats and marginal lands, resulting in land degradation, soil loss, and ground and surface water over-use and degradation. There may also be increased migration to areas that show promise for improved agricultural production and income generation potential. This could put pressure on natural resources, particularly woodlands, forests, water and power supplies.

These concerns are at the Activity level and should be considered, monitored, and mitigated for all activities supported by SO 15. The SO team will also ensure that provisions of the IEE concerning mitigation measures and the conditions specified herein along with the requirement to monitor be incorporated in all contracts, cooperative agreements, grants and subgrants.

In accordance with USAID ADS 204.5.4, the SO 15 team, with assistance from the MEO and REO, must actively monitor ongoing activities for compliance with approved IEE recommendations, and modify or end activities that are not in compliance. If there are any changes which affect the basis on which these threshold decisions were made, an IEE amendment will be prepared.

APPROVAL OF ENVIRONMENTAL ACTION RECOMMENDED:**CLEARANCE:**

Mission Director: /cleared/ Date: 6/28/04
Dawn Thomas, Acting

CONCURRENCE:

Bureau Environmental
Officer: /cleared/ Date: 7/08/04
(Acting) Paul des Rosiers

Approved: X

Filename: _ 34RCSA4_SO15_Livelihoods.doc (USAID/AFR BEO) Disapproved: _____

ADDITIONAL CLEARANCES:

Mission Environmental
Officer (RCSA) /cleared/ Date: 6/23/04
Marcia Musisi-Nkambwe, Acting

Activity Manager: /cleared/ Date: 6/17/04
Jerry Brown, Acting

SO Team Leader: /cleared/ Date:
6/17/04
Jerry Brown

Senior Regional
Environmental Officer (REDSO): /Revised & Cleared/ Date: June 16, 2004
Walter Knausenberger

Environmental Analyst &
Policy Advisor (AFR/SD): _____ Date: _____
Brian Hirsch

INITIAL ENVIRONMENTAL EXAMINATION

PROGRAM/ACTIVITY DATA:

Program/Activity Number: 690-0015
Country/Region: Regional Center for Southern Africa (RCSA)
Program/Activity Title: SO 15: Rural Livelihoods Diversified in Southern Africa (Rural Livelihoods Activity)

1.0 BACKGROUND AND PROJECT DESCRIPTION

1.1 Purpose and Scope of IEE

The purpose of this Initial Environmental Examination (IEE) is to identify the reasonably foreseeable environmental effects of activities that will be conducted under the Rural Livelihoods (RL) Activity. The RL Activity will be RCSA's main vehicle for achieving the overall objectives of SO 15: to enhance food security in the region and provide export and other income-generating opportunities for farmers. The RL Activity comprises three components and 13 interventions. One additional intervention is included under the PSO. The components and interventions are summarized below. The Initiative to End Hunger in Africa (IEHA) and regional synergies and complementarities from effective coordination and monitoring of IEHA programs in Southern Africa span all components of the RL activity.

This IEE

- identifies activity components that may have environmental consequences;
- describes the illustrative interventions and applicable categorical exclusions;
- recommends additional environmental review and mitigation for certain interventions; and
- based on the extent of the intervention and impacts, recommends the applicable level of environmental review (ERR versus IEE versus EA) and level of approval (Mission Environmental Officer/Regional Environmental Advisor (MEO/REA) versus USAID/Washington Bureau Environmental Officer) that will be needed.

None of the interventions currently identified is expected to have significant effects on the environment, as defined in 216.2 (d)(1), and therefore it is unlikely that an EA will be required.

1.2 Background

Shortfalls in agricultural outputs result in food insecurity and limited potential to generate income through commercial agriculture. In response to this constraint, the RL Activity will help to improve rural livelihoods within the Southern Africa region by supporting activities that will boost productivity in the rural agriculture sector, make linkages between farmers and SME agri-processors, and identify export opportunities for both parties.

Problem Statement: The level of food insecurity in Southern Africa is high and rising. Farmers in this region face many constraints including

- over-dependence on maize, a high-risk crop in some areas;
- declining soil fertility;
- difficulty in obtaining inputs such as fertilizers and seeds;
- water shortages;
- limited knowledge of and access to productivity-enhancing technologies;
- lack of credit;
- inadequate or non-existent agricultural extension services;
- insufficient market information;
- weak market integration, impairing the transfer of food between markets; and

- poor linkages between producers and buyers.

Proposed Solution: The RL Activity will address the issues listed above and contribute to the following SO 15 intermediate results (IRs):

- Exports by emerging commercial farmers of high-value agricultural commodities increased (IR 15.1);
- Agricultural production in pilot vulnerable communities diversified (IR 15.2); and
- Regional coordination on research and policy improved (IR 15.3).

See the Results Framework below.

1.3 Activity Components

Three activity components will be implemented to achieve the results listed above:

Component 1: Production Support Services. This component will support the production of high-value agricultural commodities for regional and international export markets, thereby increasing economic security for both farming and non-farming households. This component also will work with research institutions, associations and NGOs to identify constraints in the policy and regulatory environment to encourage policy harmonization and market-led adoption of new technologies. This component includes the following interventions:

- 1) Economic Research & Policy Harmonization
- 2) Biotechnology Research & Bio-safety Policy Advocacy
- 3) Research & Technology Transfer
- 4) Appropriate Germplasm
- 5) Information & Communications Technology (ICT) to support Component 1

The component will address the following IRs:

- 15.1.1 – Yield-enhancing technologies adopted by emerging commercial farmers
- 15.2.1 – Household-level productivity increased
- 15.2.2 – HIV/AIDS impact on agricultural production mitigated
- 15.2.3 – Household level enterprise development skills increased
- 15.3.2 – Joint public-private partnerships effectively advocated for agricultural trade and investment policy reform

Component 2: Market Support Services. This component will assist emerging commercial farmers to meet quality and safety standards of targeted regional and international export markets and facilitate commodity chain links in the region and abroad by forging strategic alliances with private sector partners. This component includes the following interventions:

- 1) Plant and Animal Health and Sanitation
- 2) Market Linkages
- 3) Agri-Nutrition Pilot Projects
- 4) Markets and Seed Enterprise Development
- 5) ICT to support Component 2

This component addresses the following sub-IRs:

- 15.1.2 – Emerging commercial farmers meet quality and safety standards for selected tradable agricultural commodities
- 15.1.3 – Commodity chains link small scale commercial farmers, processors, and traders with export and regional markets
- 15.2.2 – HIV/AIDS impact on agricultural production mitigated
- 15.2.3 – Household level enterprise development skills increased
- 15.3.1 – Seed certification guidelines harmonized across the region

- 15.3.2 – Joint public-private partnerships effectively advocated for agricultural trade and investment policy reform
- 15.3.3 – Biosafety guidelines established

Component 3: Disaster Management & Mitigation. This component will work with regional institutions to strengthen capacity in forecasting stresses in the regional food supply and develop disaster mitigation strategies that will allow for a more rapid recovery of local economies. This component includes the following interventions:

1. Bridging financial support
2. Capacity building of FEWSNET

This component addresses IR:

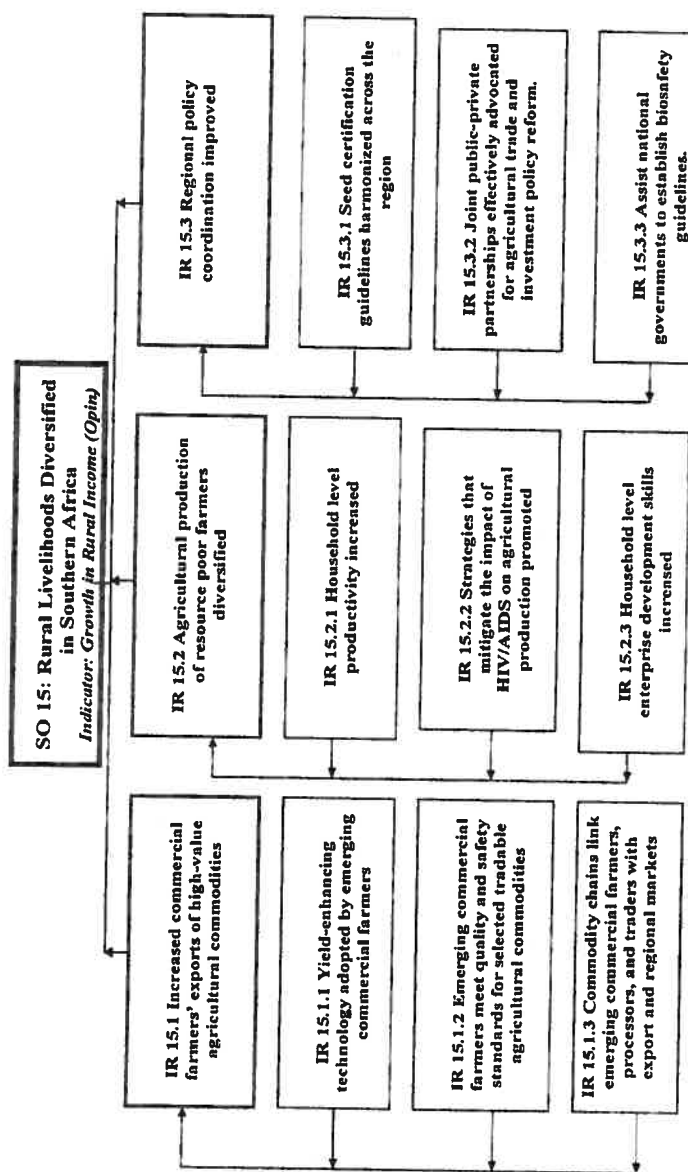
- 15.3 – Regional policy coordination improved

The RL Activity will fund support for one intervention under RCSA's PSO:

- HIV/AIDS education and nutrition

All components are linked to the IEHA, which is designed to build on regional synergies to enhance market-led agricultural growth in the region.

Results Framework for SO 15



2.0 COUNTRIES AND ENVIRONMENTAL INFORMATION (BASELINE INFORMATION)

Southern Africa faces long-term environmental threats. Land degradation and a decline in the productivity of cropland, pastures, and forests used in agriculture due to poor land management threaten food security and will increase poverty in certain "hot spots". In Southern Africa, soil, water, vegetation, landscape, and local climate conditions collectively influence land productivity. Damage to these resources decreases the ability to produce crops, grow trees, and support grazing cattle. Water erosion causes most degradation, while wind erosion is the major damage-causing factor affecting dry areas and cattle grazing lands. In many places, soils are losing nutrients and, where irrigation is mismanaged, are becoming salty. Loss of vegetation exposes soils to erosion and threatens habitat³. In many African nations the poorest farmers live on land which is most susceptible to soil erosion. Often these lands are on steep slopes and clearing them for crop production causes the soil to rapidly erode. Major problems caused by land degradation include declining crop yields, sedimentation in rivers and streams, contamination of drinking water, health problems in people, and loss of habitat for animals.

2.1 Locations Affected

The RL Activity will be implemented in the Southern Africa region and may cover 11 countries.

The specific locations for technology transfer activities will be chosen early in the project implementation phase after contracts have been awarded. *Therefore, for site-specific physical interventions, additional environmental review (to include applicable national legislation) will be necessary once locations and specific projects are identified.*

2.2 National [or applicable] Environmental Policies and Procedures [of host country both for environmental assessment and pertaining to the sector]

The applicable procedures for countries within the region are limited. Available information is summarized in Table 1.

Table 1

National Environmental Policies and Procedures in Place in Southern African Countries

Country	Environmental Legislation &/or Policy	Level of Implementation
Angola	<ul style="list-style-type: none"> • Constitutional law (Article 12, No. 2 and Article 24. Nos. 1, 2, and 3) commits the State to correctly use of natural resources, guaranteeing sustainable development for all. • Law No. 5/98 of June 19 1998 defines the concepts and basic principles of environmental protection, preservation and conservation, promotion of improved quality of life and a rational use of natural resources. • Apart from this law (5/98), the Government of Angola (GoA) has committed itself to develop a National Program for Environmental Management, including all necessary structures and specialized organs, and 	GoA has limited capacity to guide, monitor and evaluate development activities through environmental review procedures. GoA has recently committed itself to developing environmental regulations to control development activities, but the more detailed

³ IFPRI

Country	Environmental Legislation &/or Policy	Level of Implementation
	creating the legislation that enables their enactment. • Since provision of portable water represents a major concern, the Angolan Ministry of Health committed itself to developing environmental regulations to control and monitor water and sanitary infrastructure incl. latrines.	aspects of this initiative not likely to be available soon.
Botswana	Legislation on environment within certain Government Ministries and Departments. Over-arching environmental Policy lies with the National Conservation Strategy Agency (NCSA), the Draft Environmental Regulations have not yet been passed by Government.	NCSA insists on, and reviews EIAs for all development projects, specific ministries also require EIA according to their own format(s).
Lesotho	Lesotho National Environmental Policy Reinforces regulations within the sectoral ministries	Applied to large-scale projects e.g., LHDA – Katse Dam Project
Malawi	Has a Dedicated Ministry and National Legislation and Guidelines on Environmental Impacts of Development Projects	Documents are reviewed, but levels of implementation are a bit haphazard due to lack of manpower
Mozambique	GRM's 1994 National Environment Management Program (NEMP) provides the framework for the development, adoption, and implementation of environmental policy measures in Mozambique. The legal framework has been updated, regulates access to natural resources, as well as the transfer of authority and decision-making to the local level. Other relevant laws: - Environmental Law (1997) promotes community participation in planning and decision-making related to the utilisation of natural resources; - Land Law (1997), - Forestry and Wildlife Law (1999) - Local Government Law (1998), - Decree 15/2000 on working relations between local government and traditional authorities (2000), - Pesticides and Fertilizer Regulations (2002)	Application of the main ENRM laws is the responsibility of the Ministry for the Co-Ordination of Environmental Action (MICOA) and the Ministry of Agriculture and Rural Development (MADER).
Namibia	The Directorate of Environmental Affairs (DEA) is one of four directorates under the <u>Ministry of Environment and Tourism</u>	Legislation only in draft form, but policies in place and enforced
South Africa	White Paper on Environmental Management Policy for South Africa (1997) National Environmental Management Act (1998)	Comprehensive Legislation and follow-up
Swaziland	Swaziland Environment Action Plan, no policy proposals in place Urban Land and Environment Policy exists	Uncertain: TBD
Tanzania	National Environmental Management Act (NEMA): DRAFT Tanzania Environmental Protection Act Environmental Impact Assessment Procedures	Policy and/or Regulations are adhered to for project design. The extent of follow-up is uncertain

Country	Environmental Legislation &/or Policy	Level of Implementation
Zambia	Environmental Protection and Pollution Control Act Has a dedicated Ministry: Ministry of Environment & Natural Resources Regulations on: Air, Waste, Water and EIA	Regulations enforced by the Environmental Council of Zambia
Zimbabwe	Policy and the over-riding Natural Resources Act	Uncertain: TBD

In addition to national environmental legislation, most countries also have regulations and guidelines covering the conservation of forests, soils, water and watersheds, rangelands, health and sanitation, disaster management, and civil rights.

3.0 EVALUATION OF PROJECT/PROGRAM ISSUES WITH RESPECT TO ENVIRONMENTAL IMPACT POTENTIAL

Early Stage of Environmental Review

This IEE was conducted during the RL Activity planning and design phase. Until activities are clearly defined by the implementing partner(s), it is not possible to accurately identify the entire range of environmental effects. While at this stage, many interventions can be categorically excluded (216.2(c)(2)), certain interventions may have environmental effects. Negative threshold decisions (no significant adverse environmental effects if adequate mitigation actions are taken) are recommended for these interventions, and additional environmental review may be required once locations and specific activities are better defined during the work planning process.

Potential Environmental Consequences

Two of the three components include interventions some of which could raise environmental concerns. The third, Component 3, Disaster Management & Mitigation, raises no issues.

Component 1: Production Support Services.

Three of the five interventions have the potential for direct environmental harm if unmitigated: (2) Biotechnology Research & Bio-safety Policy Advocacy, (3) Research & Technology Transfer, and (4) Appropriate Germplasm. The ones that have no apparent environmental issues are (1) Economic Research & Policy Harmonization and (5) ICT.

The concerns regarding the potential impacts associated with these interventions are described below.

Intervention (2), Biotechnology Research & Bio-safety Policy Advocacy.

This intervention recognizes that the introduction of GMOs could result in environmental consequences and that without strict controls, including research and monitoring, introduced varieties could crossbreed with local crop varieties and change the nature of the local open-pollinated crop varieties. For this reason, this intervention seeks to establish a regulatory regime that will provide the proper protections for GMO testing. No GMO support, including testing and release, can occur without a host country biotechnology framework in place.

Intervention (3), Research & Technology Transfer.

This intervention will include hands-on field training to farmers and new, small-scale agri-input dealers (e.g., seeds, fertilizer) in crop production skills and agribusiness skills. The intervention will also help universities and other institutions to make their research more field-oriented and less isolated within the academic community. Concerns associated with this intervention include:

- Assistance in procuring or using fertilizers could adversely affect the environment if fertilizers are not applied properly or if they are used in areas that are home to threatened or endangered species or in other sensitive habitats, including protected areas and wetlands.

- Assistance in procuring or using pesticides could have environmental consequences. Concerns include effects on human health if pesticides are used, stored, and disposed of without appropriate safeguards. Inappropriate pesticide use, storage, and disposal may also contribute to ecosystem degradation, including adverse effects on water, wildlife, and land (agricultural, grazing, and natural areas).
- Diversification of crop-livestock systems could have adverse environmental effects if done on a large scale or in areas that are densely populated or not appropriate for agricultural development (forest, wetland, and other sensitive habitats). Farmers will be introduced to technology, production skills, crop improvement, irrigation, seeds, farm management and other related activities which will require best practices to be followed.
- Assistance in constructing and managing irrigation systems could have environmental consequences, especially given the region's primarily arid and semi-arid conditions. Poorly designed irrigation schemes could increase soil salinity or cause other problems.
- Post-harvest storage and marketing, agricultural input manufacturing and distribution: This raises issues with the approaches taken to protect the commodities after harvest against disease and pest organisms, and the nature of the support to the manufacturing sector.

Intervention (4), Appropriate Germplasm.

- Seed sector development, R&D to identify genetic material that best meets the needs of the clients -- SME food processors, traders and exporters, working with research institutions and NGOs -- may include identifying seed material that matures earlier or later, has improved processing characteristics, improved post-harvest life traits, and/or improved consumer preference. This activity will support conventional crop research, to develop unique, novel traits in plant materials that improve profits of client farmers and SME's on this activity. The concern is that this could introduce exotic, inappropriate, or invasive species of plants or pests.
- Food processing of raw agricultural products: It is important for food manufacturers to maximize processing plant yields. To do this, they must use plant varieties that maximize processing efficiency. And they need to be concerned about process efficiencies and cleaner production technologies and pollution prevention.
- Livestock breeding: RCSA will support the multiplication of small ruminants (primarily goats) and poultry for use by resource-poor farmers. Implementers will also identify and demonstrate ways of better utilizing draft animals. Implementers will pay attention to the susceptibility of large ruminants to pathogens such as Rift Valley Fever and other potentially fatal pathogens present in specific geographies in Southern Africa. RCSA implementers will need to strengthen capacity of livestock owners in animal health and nutrition. A package of technologies must be delivered to the farmer so that the grant investment is protected and the farmer knows how to maximize livestock resources and the land the livestock grazes on.

Properly managed, livestock production can enhance land and water quality, biodiversity, and social and economic well-being. However, when improperly managed, livestock production may cause significant economic, social and environmental damage. As described in the Livestock Production chapter of the EGSSAA, the following types of environmental problems are often associated with livestock production: a) land degradation, b) habitat damage and reduced biodiversity, and c) harm to vegetation.

Component 2: Market Support Services.

One of the five intervention clusters may have the potential for direct environmental harm if unmitigated: (1) Plant and Animal Health and Sanitation (which includes Animal Pathogen Detection). These are expanded upon below.

The other interventions with no particular evident environmental issues are:

- (2) Market Linkages programs: farmers will be trained in specific crop/market quality requirements, cost structures, logistical systems, payment mechanisms, and other processes that are part of the international agribusiness trade complex. The intervention *will assist producers and agri-businesses to meet the price, quantity, safety, quality, fair trade and environmental requirements of specific markets.*
- (3) Agri-nutrition Business Pilot projects: this intervention will develop local SME businesses that will utilize this surplus production and develop formulations and manufacturing processes to transform the surplus crops into nutritional foods for infants, children, HIV/AIDS patients, and other at-risk groups.
- (4) Market and Seed Enterprise Development: this intervention will provide firm level market strategy development training and provide 10 regional medium-size seed companies with marketing, networking and financial management skills; and
- (5) ICT.

The two interventions which have the potential for adverse environmental impacts are:

Intervention (1), Plant & Animal Health & Sanitation.

The RL Activity will also build capacity of farmers, traders, exporters and consultants in plant *phytosanitary* issues, including USDA/APHIS pest risk analysis (PRA), to understand and manage the complex phytosanitary regulatory environment of selected target markets. Particular emphasis will be placed on EU and Middle Eastern markets. Fresh horticultural products markets are particularly subject to global trading phytosanitary regulations and quality standards. Farmers, processors, packers and exporters must keep up with the changing regulatory environment in an effort to stay competitive. This activity will help RCSA's clients to remain competitive and will allow new players (small-scale commercial farmers and SMEs) to gain the knowledge necessary to enter into the global marketplace.

The environmental concerns relate to how the issue of pesticide residues are dealt with and whether USAID programs will influence the marketing of pesticide products.

Animal Pathogen Detection.

RCSA will build capacity in the region's *livestock pathogen detection*, monitoring and crisis management. The environmental concerns here relate mainly to technologies for improving early detection and containment of animal pathogens in the region. Pathogen management for diseases such as Food and Mouth Disease, Rift Valley Fever, and Bovine Tuberculosis could involve quarantine infrastructure, handling and administration of veterinary drugs (vaccination) and resulting hazardous waste management issues, possibly development of vaccines thorough GMO approaches.

These environmental consequences are used as the basis for recommending threshold decisions and conditions in section 4.

Potential environmental consequences at the overall SO/Activity level include:

- The RL Activity will provide opportunities for farmers and the agricultural support industry to increase incomes. This may increase the land area under agricultural production, placing increased pressure on sensitive habitats and marginal lands, resulting in land degradation, soil loss, and ground and surface water over-use and degradation.
- With the RL Activity providing support to the agricultural sector, there may be increased migration to areas that show promise for improved agricultural production and income generation potential. This could put pressure on natural resources, particularly woodlands, forests, water and power supplies.
- Promoting technologies if not appropriately managed could lead to risks to human and environmental health.

Farmers, processors, packers and exporters must keep up with the changing regulatory environment in an effort to stay competitive. This means being enabled to deal with global trading, phytosanitary regulations, quality, environmental and social (e.g., fair trade) standards. To the extent that enhancing competitiveness in sectors such as fresh horticultural product marketing might invoke pesticide or other chemical use (safer use issues), or purchase of refrigeration units (avoid chlorofluorocarbon refrigerants), or enterprise expansion, the following sorts of issues need to be addressed by the appropriate actors (not necessarily within the manageable interest of USAID/RCSA).

- *Location Decisions.* The location decisions of MSEs may have a profound impact on the environment. For example, an MSE's pollution and resource impacts, even if small, will be magnified if it operates in an ecologically sensitive area, in an area lacking proper or adequate waste treatment/disposal infrastructure, or in a place where other industries are already polluting. In addition, siting in an undeveloped area may require the construction of roads and other infrastructure that may have adverse secondary environmental impacts.
- *Procurement Decisions.* MSEs may be unaware of the availability and potential financial advantages of more efficient and greener inputs and production equipment. For example, brick-making MSEs may be able to use biological waste as a fuel instead of wood products.
- *Processing/Manufacturing Decisions.* For example, a common problem among MSEs is a lack of knowledge on the proper amount of chemical inputs to utilize in their processes (such as fabric dyes, fertilizers or pesticides). Insufficient knowledge frequently results in MSEs using significantly more inputs than necessary, increasing both their own costs and environmental risks.
- *Housekeeping Practices.* Where orderliness and cleanliness in MSEs is weak, increased waste/spillage of inputs and environmental contamination may occur unnecessarily.
- *Employee Safety/Health Decisions.* "The majority of the adverse environmental impacts caused by microenterprises are related to health, hygiene, and safety in industrial and agricultural enterprises. These impacts affect owners, their families, employees, and neighbors, and to avoid them it is sufficient to apply basic industrial safety standards or simple hygienic practices. The activities that are most detrimental to workers' health involve contact with toxic or corrosive substances such as heavy metals, acids, and organic solvents. The effects are often not immediately noticeable, and only become apparent in the medium or long term." (Intermediate Technology Consultants 1997d)
- *Waste Disposal Decisions.* Improper disposal of waste byproducts may lead to unintentional toxic contact with community members and/or the contamination of water and air.

These potential environmental consequences should be factored into the proposal and work planning phases for the RL Activity design.

4.0 RECOMMENDED THRESHOLD DECISIONS & MITIGATION ACTIONS (INCLUDING MONITORING AND EVALUATION)

4.1 Recommended Threshold Decisions and Mitigation Actions (Including Monitoring and Evaluation)

The following is a description of possible illustrative interventions under each component and the applicable recommended threshold decisions.

Component 1 : Production Support Services. Interventions include (1) Economic Research & Policy Harmonization, (2) Biotechnology Research & Bio-safety Policy Advocacy, (3) Research & Technology Transfer, (4) Appropriate Germplasm, (5) ICT to support interventions 1-4. With the exceptions of (2) Biotechnology Research & Bio-safety Policy Advocacy, (3) Research & Technology Transfer, and aspects of (4) Appropriate Germplasm, the illustrative interventions included in Component 1 will not directly affect the environment and can be categorically excluded from additional environmental review on the basis of the following:

- **Categorical exclusions** are recommended for (a) education, technical assistance, training (216.2(c)(2)(i)), (b) analyses, studies, and workshops (216.2(c)(2)(iii)), (c) information transfers (216.2(c)(2)(v)), as well as (d) for studies, projects or programs intended to develop the capability of recipient countries and organizations to engage in development planning (22 CFR 216.2(c)(2)(xiv)).

Negative threshold decisions with conditions, per 22 CFR 216.3(a)(2)(iii), are recommended for: Intervention (2) Biotechnology Research & Bio-safety Policy Advocacy, (3) Research & Technology Transfer, and (4) Appropriate Germplasm. The conditions are laid out below.

Intervention (2): Biotechnology Research and Bio-safety Policy Advocacy. Biotechnology research and bio-safety policy advocacy will be promoted with the condition that no biotechnology testing or release of any kind can take place until the host country has drafted and approved a regulatory framework governing biotechnology and bio-safety. This intervention includes assistance in the development of regulations on the testing and use of GMOs. Illustrative interventions will mainly involve technical assistance, training and workshops, studies and analyses. Any controlled experimentation for the purpose of research and field evaluation would be conducted in South Africa, which is the only country in the region that has an approved regulatory framework governing biotechnology and bio-safety. In addition, interventions that involve biotechnologies shall conform to the USAID Biosafety Review Procedures [ADS 211, in draft], which describes the required written approval procedures needed before transferring or releasing GE products to the field. The USAID Biosafety first review and reporting requirements are summarized below in Sect. 4.3.

Intervention (3): Research & Technology Transfer. This intervention may include the following types of activities that could warrant additional environmental review, with the identified illustrative mitigation conditions:

Assistance in Procuring or Using Fertilizers with the condition that this support is confined to “small-scale” and is located where threatened or endangered species or their habitat, and other sensitive habitats, including protected areas and wetlands, will not be adversely impacted. In addition, this negative threshold decision is recommended based on the understanding that assistance in the use of fertilizers will not include support for the procurement of “quantity imports” of fertilizers. The implementing partner should also seek guidance on small-scale and quantity imports. It is recommended that fertilizers be thoughtfully employed according to best practice, promoting integrated soil fertility management, within the context of the prevailing biophysical and socio-economic conditions, as well as the desired outcomes. A key resource which should

inform the SO and its implementing partners in their design and implementation of these activities is the EGSSAA, <http://www.encapafrica.org/SmallScaleGuidelines.htm>.

Assistance in Procuring or Using Pesticides, including their procurement, use, transport, storage or disposal, shall occur only under the following conditions:

- Any pesticide activity considered under this program would necessitate the preparation and approval of a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP), in accordance with AFR Bureau guidance and fulfilling all analytical elements required by 22CFR216.3(b), USAID's Pesticide Procedures.
- Any assistance shall be limited to "small-scale" use and to pesticides registered with the USEPA for the same or similar uses without restriction.
- An amended IEE must be submitted to and approved by the Africa Bureau Environmental Officer prior to using or procuring pesticides (including TA and training in pesticide use and management).
- If the amended IEE indicates that the proposed pesticide use will significantly affect the human or natural environment, a positive threshold decision shall be recommended, and an EA shall be conducted.

Diversification of Crop-livestock Systems. The condition is that livestock systems are limited to the care, management and breeding of small ruminants and poultry and that this intervention only takes place at very low densities in rural areas. Animal populations per household should be insignificant in terms of density and possible issues with nitrate pollution from livestock. In addition, steps should be taken to ensure that land unsuitable for agriculture (forest, wetland, and other sensitive habitats) shall not be cleared to support crop or livestock diversification.

The SO team must work with implementing partners to assure that the livestock production activities are designed and implemented in such a way as to avoid potential harmful impacts as much as possible. The above EGSSAA chapter on Livestock Production should be used as a guide to this analysis. Of particular utility for such an analysis is the Livestock chapter's table titled, *Mitigation and Monitoring Issues Environmental Mitigation and Monitoring Issues for Livestock Projects*. Implementing partners should monitor for and report on adverse impacts, particularly land and habitat degradation.

Assistance in Constructing and Managing Irrigation Systems. While 22 CFR 216 does not provide guidance regarding what is considered small versus large-scale, an ERR [see EGSSAA, Part III (www.encapafrica.org/SmallScaleGuidelines/)] will be required, at a site and activity-specific level, that describes the intervention, potential environmental consequences, and recommends mitigation measures. At the discretion of the REA/MEO, a determination will be made of the scale of the intervention and the range and significance of impacts, and based on this analysis, whether additional environmental review will be necessary.

Intervention (4): Appropriate Germplasm.

Seed Sector Development, R&D to Identify Genetic Material. SME food processors, traders and exporters, supported research institutions, NGOs and suppliers shall: 1) ensure appropriateness for the agroclimatic zone to which they are being introduced; 2) avoid providing or promoting genetically modified organisms (GMOs); 3) avoid introducing exotic invasive species; and 4) avoid introduction of non-native plants into protected areas.

This requires identifying and mitigating any potential direct adverse impacts on the physical environment and human health and safety (such as due to aflatoxin contamination) arising from distribution of free seeds.

Food Processing of Raw Agricultural Products. Food manufacturers must use plant varieties that maximize processing efficiency, take measures as appropriate to ensure process efficiencies and cleaner

production technologies and pollution prevention. It is recommended that for all activities relating to the expansion of microfinance and/or micro enterprise to be subjected to environmental review. The **ERR form** in the EGSSAA can be tailored as needed, to assist in identifying potential environmental impacts that are likely to occur as a result of such micro enterprise activities. The ERR helps to classify such potential impacts into low risk medium risk and high risk categories. Mitigation measures must be identified for all medium and high risk categories. Again, the USAID Bureau for Africa's EGSSAA, Part III, "Guidelines for Micro and Small enterprises." In addition, the SO team leader shall visit all such projects during implementation to ensure that they are not likely to cause any adverse environmental impacts, with a view to correcting and or initiating additional mitigation measures.

An environmental management course entitled "Improving Micro- and Small Enterprise Success through Cleaner Production" is recommended for SO 15 partners. See <http://www.encapafrica.org/coursepage.htm>. This provides an opportunity to provide leadership and innovation in environmental capacity-building for business service organizations (BSOs) that assist small and medium enterprises (SMEs).

Livestock Breeding: RCSA will support the multiplication of small ruminants (primarily goats) and poultry for use by resource-poor farmers. A package of technologies must be delivered to the farmer, addressing issues of sustainability and optimized management, so the farmer knows how to maximize livestock resources. The conditions described above regarding crop-livestock interventions need to be applied here as well.

Component 2: Marketing Support Services. Interventions include (1) Plant and Animal Health and Sanitation, (2) Market Linkages, (3) Agri-nutrition Pilots, (4) Markets and Seed Enterprise Development, and (5) ICT support for Interventions 1-4. Most aspects of these illustrative interventions will not directly affect the environment and are categorically excluded from additional environmental review on the basis of the following, to the extent that they do not involve activities directly affecting the environment (such as construction):

Categorical exclusions apply to: technical assistance and training in support of activities that will not directly affect the environment (216.2(c)(2)(i)), controlled experimentation for the purposes of research and field evaluation-except for biotechnology research (216.2(c)(2)(ii), analyses, studies, and workshops (216.2(c)(2)(iii)), information transfers (216.2(c)(2)(v), and studies, projects, or programs intended to develop the capability of recipient countries to engage in development planning (216.2(c)(2)(xiv)).

Negative threshold decisions with conditions, per 22 CFR 216.3(a)(2)(iii), are recommended for **Component 2** Intervention (1)

Intervention (1): Plant & Animal Health & Sanitation.

To the extent that enhancing competitiveness in sectors such as fresh horticultural product marketing might invoke pesticide or other chemical use (safer use issues), or purchase of refrigeration units (avoid chlorofluorocarbon refrigerants), or enterprise expansion, and to the extent within the manageable interest of USAID/REDSO, it will be necessary to monitor for unintended downstream consequences of a wildly successful program (see Section 3) and address mitigation measures as apt, for example should USAID programs influence the marketing of pesticide products.

A key resource which should inform the SO team and its implementing partners in their design and implementation of these activities is the EGSSAA, <http://www.encapafrica.org/SmallScaleGuidelines.htm>, e.g. Pesticides Safer Use chapter).

Animal Pathogen Detection.

Should this program invoke quarantine infrastructure, handling and administration of veterinary drugs (vaccination) and resulting hazardous waste management issues, or possibly development of vaccines through GMO approaches, then appropriate measures should be taken to avoid or mitigate unintended environmental harm. Again the SO team and its implementing partners must consider in their design and implementation of the activities the apt section of the EGSSAA, <http://www.encapafira.org/SmallScaleGuidelines.htm>.

Likewise, technology development and dissemination involving genetically modified vaccines should be subject to the appropriate USAID and host country review procedures. Prior to irreversible commitment of funds to activities potentially involving GMOs in research, field trials or dissemination, the appropriate USAID Biosafety Procedures will be addressed. Likewise, approval will be sought as appropriate from the cognizant national biosafety authority. See above discussion on GMOs.

Component 3: Disaster Management & Mitigation. Interventions include (1) bridging financial support and (2) capacity building for FEWSNET, which provides a vital early warning system for farmers in the Southern Africa region. This intervention will not directly affect the environment and is categorically excluded from additional environmental review on the basis of the following:

Categorical Exclusions apply to: education, technical assistance, and training (216.2(c)(2)(i)), analyses, studies, and workshops (216.2(c)(2)(iii)), information transfers (216.2(c)(2)(v)), contributions to international, regional, or national organizations which are not for the purpose of carrying out a specifically identifiable project (216.2(c)(2)(vi)), and programs intended to develop the capability of recipient countries to engage in development planning (216.2(c)(2)(xiv)).

Support for PSO includes one intervention: HIV/AIDS Education and Nutrition Programs. This intervention will not directly affect the environment and is categorically excluded from additional environmental review on the basis of the following:

Categorical Exclusions apply to: education, technical assistance, and training (216.2(c)(2)(i)), analyses, studies, and workshops (216.2(c)(2)(iii)), information transfers (216.2(c)(2)(v)), contributions to international, regional, or national organizations which are not for the purpose of carrying out a specifically identifiable project (216.2(c)(2)(vi)), and programs intended to develop the capability of recipient countries to engage in development planning (216.2(c)(2)(xiv)).

Potential Environmental Consequences at the Overall SO/Activity Level. As stated earlier, the RL Activity will provide opportunities for farmers and the agricultural support industry to increase incomes. This may provide incentives to increase the land area under agricultural production, placing increased pressure on sensitive habitats and marginal lands, resulting in land degradation, soil loss, and ground and surface water over-use and degradation. There may also be increased migration to areas that show promise for improved agricultural production and income generation potential. This could put pressure on natural resources, particularly woodlands, forests, water and power supplies.

These concerns are at the Activity level and should be considered, monitored, and mitigated for all activities supported by SO 15.

4.2 Mitigation, Monitoring and Evaluation

The following monitoring, evaluation and mitigation methods are proposed for the interventions subject to "negative threshold decision with conditions" specified in section 4.1

1) Biotechnology Research & Bio-safety Policy Advocacy, with the condition that no biotechnology testing or release of any kind until the host country has drafted and approved a regulatory framework governing biotechnology and bio-safety; and compliance with ADS 211 required.

Responsible Party: implementing partner under the direction of the CTO
 Monitoring Method: Quarterly reports
 Level of approval required: REA
 Timing: Quarterly or as necessary

2) Assistance in procuring or using fertilizers, small-scale in areas with no sensitive habitats or threatened or endangered species; and no quantity imports of fertilizers.

Responsible Party: CTO
 Monitoring method: Quarterly reports
 Level of approval required: REA
 Timing: Quarterly

3) Assistance in procuring or using pesticides, subject to compliance with USAID Pesticide Procedures (22 CFR 216.3) prior to assistance,

Responsible Party: CTO
 Monitoring method: Quarterly reports and Pesticide IEEs
 Level of approval required: BEO
 Timing: as needed

4) Diversification of crop-livestock systems (land clearing is not occurring)

Responsible Party: CTO
 Monitoring method: Quarterly reports and work plans
 Level of approval required: REA
 Timing: Measures developed during work plan process and tracked in quarterly reports

5) Assistance in constructing or managing irrigation systems. ERRs shall be conducted for each site-specific irrigation interventions.

Responsible Party: CTO
 Monitoring Method: ERR
 Level of approval required: REA
 Timing: During work plan process

6) Overall SO/Activity level: Measures for addressing these concerns shall be addressed in proposals

submitted for the RL Activity and specific mitigation measures shall be incorporated into work plan elements.

Responsible Party: REA
 Monitoring Method: proposal and work plans
 Level of approval required: REA
 Timing: At proposal submission and during year 1 work plan

Implementation of IEE conditions shall be described in RL Activity Quarterly Reports, and monitoring of the implementation of IEE conditions and their success shall be part of the RL Activity Performance Monitoring Plan and included in RCSA's Annual Report.

4.3 USAID Biosafety “First Review, Proposal and Reporting” Requirements⁴

USAID's "Biosafety Procedures for Genetic Engineering Research" are still in draft. Summarized here is ADS Section 211.3.1, regarding mandatory procedures for the transfer to, testing of, or use outside of contained facilities in developing countries of all GE products (e.g., plants, microorganisms, livestock vaccines, animals, or insects). Laboratory research involving GE products in both the U.S. and developing countries is covered under current USAID provisions referencing National Institutes of Health (NIH) guidelines. The mandatory procedures apply to:

- All USAID-funded transfers of GE products from the U.S. to developing countries for testing or use outside a contained facility;
- Testing of GE products in the developing country in which they were developed; and
- Transfer of GE products from one developing country to another.

USAID-funded GE-product development and implementation partners are prohibited from transferring or releasing GE products prior to obtaining the required written approval from USAID, as detailed in ADS 211.3.1. In addition, applicable national laws (e.g., biosafety, shipping/packaging, sanitary, or phytosanitary standards) must be adhered to.

Regarding the first review of initial transfer, testing, or use (ADS 211.3.1), the responsible actors (grantee /contractor, etc.), shall follow the USAID biosafety review process:

Proposal. The implementing parties must: provide a proposal containing required information on the proposed transfer, testing, or use that the grantee/contractor. The goes to the USAID Cognizant Technical Officer (CTO) or Strategic Objective (SO) Team, before supporting GE products for testing or use. , the grantee/contractor must submit a proposal for approval by USAID.

External Review for USAID. This proposal will be forwarded by the CTO to the USAID Biosafety Officer for external review. The Biosafety Officer will arrange for an external biosafety review of the proposal.

Certification of Host Country Approval. Documentation must be provided demonstrating approval by the host country authorities of the proposed transfer, testing, or use that the grantee/contractor must provide to the USAID CTO or SO Team. If the country has a national biosafety authority or focal point (e.g., as required by Parties to the Cartagena Protocol on Biosafety), the letter of approval must come from this designated authority.

These procedures in this section apply to the first transfer, testing, or use of a particular GE product under a particular set of conditions. Streamlined procedures for the subsequent transfer, testing, or use of the same GE product under the same set of conditions are stated in 211.3.2.

The grantee/contractor or host country collaborator must submit to the USAID CTO or SO Team a letter or letters from the relevant authority in the host country approving the transfer and/or release of the GE product, including any specific conditions imposed by the host country.

USAID will not grant approval of the transfer or testing in the absence of this letter or letters of approval.

⁴ Condensed from the draft USAID Automated Directives System (ADS), Chapter 211 "Biosafety Procedures for Genetic Engineering Research" is not yet widely available. Summarized here is ADS Section 211.3.1