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1st Round submission of Concept Paper deadline:	March 20, 2013 at 4:00 pm New Delhi local time
2nd Round Concept Paper Questions due no later than:	June 6, 2013 at 4:00 pm New Delhi local time
2nd Round submission of Concept Paper deadline:	June 20, 2013 at 4:00 pm New Delhi local time
3rd Round Concept Paper Questions due no later than:	Sep 6, 2013 at 4:00 pm New Delhi local time
3rd Round submission of Concept Paper deadline:	Sep 20, 2013 at 4:00 pm New Delhi local time
4th Round Concept Paper Questions due no later than:	Dec 6, 2013 at 4:00 pm New Delhi local time
4th Round submission of Concept Paper deadline:	Dec 30, 2013 at 4:00 pm New Delhi local time

To Interested Applicants:

USAID India is seeking participation from local Indian for profit and non-profit, non-governmental organizations for the program entitled “Improved Agricultural Productivity in African FTF Countries through Sharing of Indian Agriculture Innovations”. The purpose of this Annual Program Statement (APS) is to invite applicants to propose the sharing of proven Indian agriculture innovations in Kenya, Liberia, and Malawi, which are the USAID Feed the Future focus countries in Africa. The APS is open for submission of concept papers until Dec 30, 2013 with four rounds of concept paper submissions on a quarterly basis. Concept papers received until the aforementioned deadlines will be evaluated by USAID to decide which of these warrant an invitation to submit a full application. At the discretion of USAID, concept papers received after the first round of evaluations may be considered on a rolling basis or as a part of another round of evaluations. The process will be repeated for all concept papers received up to Dec 30, 2013. Submission instructions for the concept papers and full application are provided in Section III of the attached document. USAID does not guarantee that any award shall be made against this APS.

The preferred method of distribution of this APS is via internet. This APS and any future amendments can be downloaded from www.grants.gov and the USAID/India website http://transition.usaid.gov/in/working_with_us/business_grant_opportunities.html. All interested parties are highly encouraged to register on www.grants.gov in order to receive automatic notification of amendments to this APS. It is the responsibility of the prospective applicant to ensure that it has received all documents from www.grants.gov in their entirety. USAID bears no responsibility for data errors resulting from transmission or conversion processes.
It is the responsibility of the applicant to read the APS thoroughly before submitting a concept paper. In the event of an inconsistency between the documents comprising this APS, it shall be resolved by the following descending order of precedence:

- Section III.C - Evaluation Criteria
- Sections III.A and III.B - Concept Paper and Full Application Formats
- Section II - Program Description
- This Cover Letter

Point of Contact and submission instructions
If you have difficulty accessing this APS, please contact Mr. Sumit Dutta, Acquisition and Assistance Specialist at indiarco@usaid.gov.

Any prospective applicant desiring an explanation or having questions regarding this APS must request it in writing to indiarco@usaid.gov by the deadlines specified on the cover page in order to allow a reply to reach all prospective applications before the submission of the applications. Oral explanations or instructions will not be provided. Any information given to a prospective applicant concerning this APS will be furnished promptly to all other prospective applicants as an amendment of this APS, if that information is necessary in submitting application or if the lack of it would be prejudicial to any other prospective applicants.

Concept papers should be submitted via e-mail to indiarco@usaid.gov. Refer to the complete submission instructions for concept papers in Section III.A.

For full applications, please follow the submission instructions provided in Section III.B – Full Application Format.

Sincerely,

sd/-
Sumit Dutta
Regional Office of Acquisition and Assistance
USAID/India

Attachment: a/s

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I. Background

Over the past 50 years, millions of Indians were lifted out of poverty as a result of India's leadership in innovating products, processes, and services in agriculture including through the adaptation of new technologies and production methods that improve farmer's adaptive capacity to impacts of climate change. These agricultural innovations offer great potential for broader replication to address global development challenges in comparable biophysical and socio-economic conditions. Valuable lessons learned from India's development process can help other developing countries, especially in Africa, where small land-holders and others suffer most from poverty and food insecurity. The adaptation and diffusion of proven Indian agricultural innovations can also significantly contribute to overcoming the challenges posed by global climate change. The purpose of this activity is to support the sharing of proven, shelf-ready Indian agricultural innovations that can have the most direct impact on focus value chains and improved nutrition in Feed the Future (FTF) focus countries. The India-Africa Agriculture Innovation Bridge program will initially focus on Kenya, Liberia, and Malawi to complement the existing trilateral programs between India, the United States (U.S.), and these African countries. This program could be expanded to focus on other FTF countries at a future time.

More than 60 percent of the population in India and Africa rely on agriculture for their livelihood. Yet in Africa, compared to the rest of the world, sector productivity and average agricultural output is low. Labor productivity is a fifth of that in advanced economies and average cereal yield per hectare is less than half of that in other developing countries. Factors constraining agricultural productivity, these include, but are not limited to, poor policy environment; limited access to and inefficient use of critical inputs (e.g., fertilizer and improved seeds); limited access to improved technologies (e.g., affordable and appropriate farm implements); lack of modern farm and business management competency; fragmented markets and market imbalances; limited or no access to financial and insurance services; and low investment in critical infrastructure and research. India's research capacity and culture of innovations, coupled with sustained technological, procedural, and institutional innovative solutions, have generated agricultural-sector growth that has helped the country overcome such constraints. India's overwhelming success in increasing agriculture production in the past 50 years has led USAID/India's Food Security Office to shift the away from bilateral programs to focus on harnessing the innovations to assist other counties meet their food security and nutrition objectives.

United States Agency for International Development (USAID) in India is transitioning its development interventions in India from a donor recipient relationship to a partnership. As a result, USAID/India's development interventions in the agriculture sector will focus on supporting the adaptation and sharing of proven Indian innovation with other countries that face similar development challenges in agriculture. The overarching goal is to reduce poverty, food insecurity and malnutrition by sharing Indian innovations that will deliver developments impacts more effectively and efficiently.

This Annual Program Statement (APS) encourages applicants to propose sharing of proven Indian agriculture innovations in Kenya, Liberia, and Malawi under the Feed the Future (FTF) Presidential Initiative. Concept papers should only request support for activities that target

Kenya, Liberia, and/or Malawi focusing on the focus value chains identified in these countries' FTF Multi-year Strategies and other supplementary documents provided in this solicitation (see the Annex for supplementary documents).

USAID/India may decide to award Cooperative Agreements (CA) and/or grants, both designed to enable USAID to partner with organizations having limited or no experience working directly with USAID. A cooperative agreement provides for substantial USAID involvement during the award to assist the grantee in achieving the supported objectives of the agreement. An explanation of this "substantial involvement" can be found in Section IV.1.

Funding

USAID India intends to provide up to a total of $6.012 million to successful applicants. Approximately two to four cooperative agreements and/or grants of $2 million each or less may be awarded against this APS. All awards will be made on a competitive basis. USAID reserves the right to make no awards against this APS.

Cost share

Cost Sharing from Applicants is not mandatory, but expected for this program. USAID/India expects cost-sharing with non-United States Government (USG) partners and the creation of partnerships[1]. Partnerships created would jointly define and address development problems. Partners would make financial and/or in-kind contributions to increase the impact and sustainability of development efforts. Applicants are strongly encouraged to consider partnerships with private partners as a means of leveraging funding for greater impact.

The issuance of this APS does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of a concept paper or application. In addition, final awards cannot be made until funds have been appropriated, allocated, and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified that all potential awards are subject to the availability of funds and agreement of the parties, and USAID reserves the right to make no awards. All preparation and submission costs incurred are at the Applicant's expense. This APS may be amended by USAID/India as necessary (e.g., to revise deadlines or update information).

[1] The term "partnership", as used in this APS, is generally not intended to imply a formal business partnership through which a new legal entity is created, but rather a less formal arrangement where parties agree to cooperate to advance their mutual interests.

II. Program Description

This program directly supports USAID/India's objective of sharing Indian agriculture innovations with Kenya, Liberia and Malawi. USAID/India defines innovation as new business or organizational models; operational or production processes; or products or services that provide solutions to development challenges leading to substantial improvements (for example three to ten times). These innovations help deliver development outcomes more effectively, cheaply, and sustainably. This program will specifically target food security challenges identified in the FTF Multi-Year Strategies of Kenya, Liberia, and Malawi. The approach will respond to the demand for rather than the supply of solutions. Thus, the India-Africa Agriculture Innovation Bridge will build on the focus value chain priorities within focus regions in Kenya, Liberia, and Malawi.

1) Interventions and Results

The program will support multiple activities that adapt and share proven Indian agriculture innovations to address the food security challenges faced by producers and processors at the base of the pyramid in Kenya, Liberia, and Malawi. This program aims to catalyze the sharing of proven Indian innovations by adapting the innovations to respond to local needs. Innovations selected should be based on clear evidence of significant impact in improving productivity, incomes, and/or nutritional levels. Illustrative interventions may include sharing of the following:

a) Innovative institutional and business model solutions that would empower small producers and processors;
b) Productivity and sustainability enhancing tools, climate-resilient technologies, services, and processes appropriate for target beneficiaries;
c) Innovations that transform primary products to value-added goods and services for focus value chains and markets;
d) Proven packages of innovative and strategic solutions that broaden opportunities for base of the pyramid integration into focus value chains.

The decision on thematic focus and number of activities will depend on the ability of the interventions to effectively respond to significant development challenges in the target countries and the focus value chains. The innovations must improve smallholder incomes, food security, climate resilience, and/or nutrition in Kenya, Liberia, and Malawi.

2) Areas of Interest

The India-Africa Agriculture Innovation Bridge Program seeks to facilitate collaborative opportunities for local Indian private for-profit or non-profit organizations to increase agricultural productivity and markets access; and improve nutritional status, especially for women and children.

For Kenya, Liberia, and Malawi, proposed solutions must improve the priority value-chains in the identified focus geographic areas (see Table 1) by demonstrating the potential for large, measureable impacts in the target FTF countries (e.g., reduce poverty, increase sector productivity, increase climate resilience, and/or improve nutrition).

Table 1: FTF Focus Country, Focus Value Chains, and Geographic Focus*

Country	Focus Value Chains	Geographic Focus
Kenya	Maize Beans and Legumes Horticulture Dairy	Southwest South Central
Liberia	Rice Cassava Horticulture Goats	Six North-Central Counties (Bong, Lofa, Nimba, Grand Bassa, Montserrado, Margibi)
Malawi	Beans and Legumes Dairy	Seven districts in the Central and Southern Regions

*Detailed maps with geographic focus areas can be found in the FTF Multi-Year Strategies (see www.feedthefuture.gov, and the specific documents that are provided in the Annex)

3) Illustrative Indian innovation examples include the following:

a) ***Process and Business Model Innovation***: The overwhelming success of Indian dairy cooperatives is due to innovations in both production management and organizational structure. India's dairy industry, the largest in the world, is comprised mostly of small dairy producers, usually rural women living in areas with poor infrastructure. One such dairy cooperative operates a model for dairy producers, by providing technical assistance to increase market share as well as access for the cooperatives' products. A similar model could be adapted to meet the needs of small dairy producers, increasing incomes and lowering malnutrition, in Kenya and/or Malawi, where dairy is a value-chain priority.

b) ***Holistic Innovation:*** Multiple Indian agro-chemical companies have developed fertilizer product and application best practices that are tailored to the soil and crops cultivated in a specific region. Recognizing the limitation of single interventions to increase agricultural productivity, these companies have developed input marketing and distribution strategies that have the potential to increase yields and enhance the soil conditions over time. This multi-pronged approach embeds extension services, franchise presence, and product capacity building for both sellers and producers. This innovative Indian business model creates products and practices that would lower production costs through a more efficient farm management system that increases agricultural productivity in target FTF countries.

4) Outcome Indicators aligned with FTF and USAID/India's Development Strategy are:

a) Number of new Indian agriculture innovations adapted and shared to address agriculture technology and production systems constraints in Kenya, Liberia, and Malawi as a result of United States Government assistance (productivity)

b) Value of private sector investment in commercialization of Indian agriculture innovations (private sector investment)

c) Improved access to diverse and quality foods (nutrition)

d) Number of Agriculture innovations adapted and shared with Kenya, Liberia, and/or Malawi that increases climate resilience in agriculture production (climate resilience)

5) Geographic focus and sectors

The India-Africa Agriculture Innovations Bridge APS is a program that focuses on sharing innovations with African FTF focus countries Kenya, Liberia, and Malawi. The purpose of sharing innovations is to achieve development impacts in the agriculture sector identified in their FTF Multi-year strategies. The geographic focus areas within Kenya, Liberia and Malawi, and the focus value chains are identified in the program description in Table 1 of Section II above.

III. APPLICATION PROCESS

1) Applicant Eligibility

USAID encourages applicants from local Indian organizations that are private, non-profit organizations (or for-profit companies willing to forego profits), including private voluntary organizations, universities, research organizations, professional associations, and relevant special interest associations. The definition of a local organization is provided below:

1. A "local organization" must,
   - Be organized under the laws of the recipient country;
   - Have its principal place of business in the recipient country;
   - Be majority owned by individuals who are citizens or lawful permanent residents of the recipient country or be managed by a governing body, the majority of whom are citizens or lawful permanent residents of a recipient country; and
   - Not be controlled by a foreign entity or by an individual or individuals who are not citizens or permanent residents of the recipient country.

2. The term "controlled by" means a majority ownership or beneficiary interest as defined above, or the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the organization's managers or a majority of the organization's governing body by any means, e.g., ownership, contract, or operation of law.

3. "Foreign entity" means an organization that fails to meet any part of the "local organization" definition.

   Government controlled and government owned organizations in which the recipient government owns a majority interest or in which the majority of a governing body are government employees, are included in the above definition of local organization.

In support of the Agency's interest in fostering a larger partner base and expanding the number and sustainability of development partners, USAID/India encourages applications from potential new implementing partners. Applicants may propose partners/sub awardees that are not local Indian organizations. However, these partners/sub awardees must be from Geographic Code 937 countries. For more information on Geographic Code 937, please refer to "ADS 310.3.1.1 - Authorized USAID Principal Geographic Codes" at http://transition.usaid.gov/policy/ads/300/310.pdf.

USAID will not accept applications from individuals. All applicants must be legally recognized organizational entities under applicable law.

2) Applicant Responsibility

In order for an award to be made, the Agreement Officer must make an affirmative determination that the applicant is "responsible," as discussed in ADS 303.3.9 (http://transition.usaid.gov/policy/ads/300/303.pdf). This means that the applicant must possess, or have the ability to obtain, the necessary management and technical competence to conduct the proposed program, and must agree to practice mutually agreed-upon methods of accountability for funds and other assets provided or funded by USAID.

Applicants must have or be willing to establish financial management, internal control systems, and policies and procedures that comply with established US Government standards, laws, and regulations. All potential awardees will be subject to a financial responsibility determination in accordance with ADS 303.3.9 that may include a pre-award survey.

There are potentially two steps in the application process under this APS:

1. Concept Paper: The instructions for submitting a concept paper are provided below under paragraph III.A. Before submitting a concept paper under this APS, it is recommended that applicants review the full application instructions in the event that a full application is requested. If a concept paper is not accepted, the concerned applicant shall be notified.

2. Full Application: USAID may enter into award negotiations with applicants whose full applications are evaluated favorably for award. Note, a request by USAID to submit a full application does not imply that USAID will proceed either with negotiation and/or an award. Instructions are provided under Paragraph III.B below.

III.A. CONCEPT PAPER

1) Format

All concept papers must be submitted in the following format. Concept papers that do not follow the following format will not be considered. The concept papers must be:

1. A maximum of six pages in length;
2. Typed, singled space on letter size, not legal size, paper;
3. 12 font size; charts, tables and spreadsheets may not be less than 10 font;
4. Written in English;
5. In Word or Adobe PDF format;
6. All pages except for the cover page must be numbered

The six page maximum does not include the cover page. No attachments are required to be submitted with the concept paper.

2) Content

Concept papers must respond to the Feed the Future priorities, focus countries Kenya, Liberia, and Malawi, and the value-chains identified in their FTF Multi-year strategies (summarized in the program description). Concept papers must include the following three components. Please organize the concept paper according to the outline below.

1. Cover Page

a) USAID APS # APS-386-13-000001
b) Name and address of organization
c) Name(s) and title(s) of the principal author(s) of this concept paper
d) Contact person (lead contact name; telephone number, fax and e-mail)
e) Signature of authorized representatives of the applicant
f) Title of the concept paper, country(ies) where innovation will be shared, total dollar amount of funds requested for the project period

2. Technical

a) Problem definition and background:

Clearly define the problem or opportunity to be addressed by the proposed program. This section should include a description of the target population; development challenges that the population face; proven and prospective technology, business model solutions; and provide evidence linking the solutions to demand. This section should also provide clear evidence of the demand for the proposed solution and where this project concept originated. Organizations that express interest in the program with proven Indian agriculture innovations must demonstrate a clear understanding of the FTF program goals that supports country-driven approaches to forge long-term solutions to chronic food insecurity.

b) Proposed approach:

The proposed approach to this development challenge or opportunity should include the existing demand for the innovative solution. Provide the overarching goals and specific objectives for the project. Discuss the methods and activities involved to implement the program which includes a strategy for implementation, partnerships and anticipated results.

Applicants should incorporate the findings from the FTF analyses and demonstrate how proposed Indian innovations will impact focus value chains. They must also provide evidence of how the proposed proven Indian agriculture innovation(s) was successful within India.

Applicants will need to demonstrate their comparative analysis of agricultural development issues in India and at least one of the three target countries. This process should identify internal and external factors that might affect the performance of proven Indian innovations (e.g., market potential, cultural factors, infrastructure, policy environment, etc.). The applicants should identify proposed pathways that demonstrate possible resolution of such factors in the adaptation and sharing of these innovations. Private sector applicants must explain their market penetration approach, distribution agreements, and licensing, franchising or other related agreements to explain how the proven Indian innovations will be pulled through the market forces. The analysis will be conducted in stages, starting with a preliminary assessment for the concept note, followed by full application stage requiring a more detailed analysis for a sub-set of invited applicants.

Applicants are encouraged to deepen the existing investments and identify synergies with ongoing FTF programs to avoid duplication and increase impact. Supplementary documents such as FTF Multi-year Strategies and scopes of work for existing programs in Kenya, Liberia, and Malawi are provided in the Annex.

This section should consider the following:

i. ***Match Indian innovations to food security constraints identified in FTF focus countries***. A review of the current constraints in focus value chains In Kenya Liberia and Malawi that could be served specifically through Indian innovations.

ii. ***Map the pathways for transfer and associated cost-benefit.*** From the point of view of doing business, for strategic planning it is essential to map the cost/benefit of following different pathways to transfer Indian agricultural innovation, such as licensing, franchising, IP transfer, export, etc., taking into account the Indian and the FTF focus countries' policy perspective.

iii. ***Stakeholder analysis*.** Understanding the diversity of supply and demand of development innovations and the food security stakeholders in both Indian and FTF countries is critical to form the necessary networks and partnerships. Identify the institutional gaps that must be addressed to ensure transfer of innovation.

iv. ***Monitoring and Evaluation.*** A short description of how the program will measure impact and success and why the applicant's organization is well suited to achieve the proposed objectives. Include any innovative methods or approaches for transfer of knowledge, long term sustainability and financial feasibility of the program. This section should also include associated risks and assumptions.

v. ***Partnerships*.** Describe the role of proposed partners (if any) (NGOs, government, academia, social entrepreneurs, social venture capital funds, and/or private businesses), why each was selected, and the type of partnership that will be created, developed or sustained. Provide a brief description of how the Applicant will work with these partners and an explanation of the sustainability of the partnership.

vi. ***Preliminary Sustainability Analysis***. It is expected that the activities funded under this APS will be sustained after the program ends. Since this APS seeks interventions to transfer innovations to the select African FTF countries, the commercialization and large uptake could occur after the program ends. Thus, the ultimate sustainability of the activities will be demonstrated by the adoption of the shared Indian innovations that will lead to food security programs writ large being delivered faster, cheaper, and more effectively as a result of this program. Since innovations are developed both by public and private entities, proposed programs may be market-driven through the private sector or public-good driven by national programs, international organizations, host country governments or non-profit organizations. (However, only private organizations are invited to apply.) Initial innovation candidates will be evaluated for long-term viability and projected outcomes based on their economic potential.

3. Budget

i. Proposed estimated cost and timeline for implementation

ii. Brief breakdown of costs by institutions, country, if applicable

III.B. FULL APPLICATION

Only submit a full application if requested to do so by USAID/India. Full Applications (if invited) shall be submitted via e-mail to indiarco@usaid.gov in two separate volumes: (a) technical and (b) cost application. The e-mails must contain unzipped attachments and the size of each e-mail submission along with the attachments must not exceed 10MB. If necessary, send separate e-mails in order to stay within the 10MB size limit. The electronic version of the cost application must be prepared using Microsoft Excel with workable calculations shown in the spreadsheet along with a detailed narrative explaining the costs in Microsoft Word.

Please note that applications that do not follow the instructions (above and below) may not be considered.

The Full Application shall be split into two separate parts: (1) Technical Application; and (2) Cost Application. The formats for each of these parts of the application are set forth below:

A) Technical Application Format

The technical application must be:
a) A maximum of 25 pages in length;
b) Typed, singled space on letter size, not legal size, paper;
c) 12 font size; charts, tables and spreadsheets may be not less than 10 font;
d) Written in English;
e) In Word or Adobe PDF format;
f) Spreadsheets must be in MS Excel or tables that are compatible with MS Word;
g) All pages except for the cover page must be numbered

The 25 page limit does not include the cover page; and past performance and institutional capabilities. The attachments must be concise and not a continuation of the 25 page main content.

The attachments should include the following, apart from other relevant information:
Relevant information on past performance and institutional capabilities (for main applicant and key partner organizations)

The technical application should be an expansion of the concept paper and respond to the FTF priorities in Kenya, Liberia, and/or Malawi. The technical application should include the following components and be organized according to the outline below.

1. ***Cover Page***
   a. USAID APS # APS-386-13-000001
   b. Name and address of organization
   c. Name(s) and title(s) of the principal author(s) of this concept paper
   d. Contact person (lead contact name; telephone number, fax and e-mail)
   e. Signature of authorized representatives of the applicant

f. Title of the application, country(ies) where innovation will be shared, total dollar amount of funds requested for the project period

2. ***Executive Summary***
The executive summary must summarize the key elements of the Applicant's technical application, including, but not limited to, the technical approach (see next section), and cost-sharing and/or public-private partnership leveraging, if applicable.

3. ***Technical Approach***
Use clear logic describing the links between the context analysis, program hypothesis, the objectives, methods, and anticipated results. The technical approach section should contain the following subsections:
   a. **Situation Analysis**: Describe the specific development context. Include relevant background information and analysis of the problem, demand for a solution, opportunity or challenge in the proposed sector or value chain. Describe the innovation to be shared and proof of its success;
   b. **Location**: Describe the proposed focus country and target region. List the process and rationale used to select the area(s) and describe any experience the Applicant and/or partner(s) have had working in the region. Describe how the innovation is appropriate for region's market, agro-ecological climate, or development challenges;
   c. **Program Hypothesis and Theory of Change**: Include a program hypothesis that clearly explains the theory or theories of change that underlie the approach of the proposed innovation. The program hypothesis should describe the link between the proposed activities and their intended impact on the problem, opportunity, challenge, and demand identified in the situation analysis. This section should also include how the proven theory of change of the innovation in the Indian context has been adapted to the African context;
   d. **Program Goals and Objectives**: List the goals(s) of the proposed program. Include clear, measureable program objectives that will contribute to achieving the stated goal. Include an explanation of why the stated objectives represent the most appropriate response to the problem, opportunity, and/or challenge presented in the situation analysis. Describe how the program will contribute to USAID Feed the Future Goals in the focus countries, Kenya, Liberia, and/or Malawi.
   Since sections a through c above would provide the broader context, this section (d) should address all or some of the following:
      i. *Match Indian innovations to food security constraints identified in FTF focus countries*. A review of the current constraints in focus value chains within the three African FTF focus countries that could be served specifically through Indian innovations.
      ii. *Map the pathways for transfer and associated cost-benefit*. Map the cost/benefit of following different pathways to transfer Indian agricultural innovation, such as licensing, franchising, IP transfer, export, etc., taking into account the Indian and the concerned FTF country policy perspective. Include anticipated challenges to transferring technologies and methods to overcome the challenges.
      iii. *Stakeholder analysis*. Understanding the diversity of supply and demand of development innovations and the food security stakeholders in both India and the

three African FTF focus countries is critical to form the necessary networks and partnerships. Identify the institutional gaps that must be addressed to ensure transfer of innovation.

iv. *Assess viability of innovative model or practice*. Innovative models or practices should be "credible, observable, relevant, relatively advantageous over existing practice, easy to transfer/adopt, compatible, and able to be tested or tried."

e. **Methods**: Describe the methods and activities the program will utilize to achieve the stated objectives. Include a brief description of the human, financial, technical, and material resources that will be applied to achieve the objectives including the roles and responsibilities of the applicant and partners, if any. If partnerships are proposed, discuss how these will be managed. Discuss alternative methods considered and reasons that the selected approach was chosen to transfer the innovation over alternative pathways and approaches.

f. **Outcomes/ Results**: State the anticipated outcomes that result from the proposed methods/activities and how they will contribute to the overall FTF goals in the country where the innovation will be shared.

g. **Sustainability**: Describe the strategies that will be employed to sustain the activities beyond USAID funding for these activities as well as the potential for scaling up to achieve broad based impact where possible and appropriate, especially other FTF focus countries in Africa.

h. **Risk Analysis**: Describe the risks associated with the proposed methods that are likely to affect the program outcomes. Include factors that are both within and outside of the Applicant's control. List strategies the Applicant will utilize to reduce risk and ensure proposed results are achieved.

4. *Innovation*

Describe the innovation or complimentary set of innovations to be shared and its unique characteristics. Describe how the innovation has been tested, proven, and/or scaled in India and what components of the innovation need to be changed or adapted to the African context. Include the anticipated risks and benefits of sharing the innovation.

5. *Project Management Approach and Implementation Plan*

The project management approach should include the following components:

a. Applicant's program management plan;

b. Respective roles, responsibilities, and accountability of the applicant and its partners, including roles and responsibilities of key staff;

c. Description of the management systems in place, if applicable;

d. Implementation plan that outlines activities, inputs, outputs, outcomes, indicators, and a breakdown showing the responsibilities of partners, if applicable. The implementation plan should have two components:
   i. Proposed first-year work-plan that is presented in a matrix format that includes proposed activities and when they will take place for the timeframe indicated. Identify partners for activities where appropriate. The first year work plan, inputs, outputs, and outcomes should be realistic and achievable within proposed budget and timeframe and reflect a grasp of the necessary steps to ensure efficient, effective execution of program activities.
   ii. The proposed life of the project implementation plan that outlines a timeline for phasing of interventions. This plan should contain inputs, outputs, and present outcomes per year that are realistic and achievable within the proposed budget and timeframe and reflect a grasp of necessary steps to ensure rapid, effective execution of the program activities. Provide indicators that are clear and measurable.
   The organizational structure of the program implementation will be proposed by the applicants.

6. *Monitoring and Evaluation Plan*

Provide a description of the Applicant's approach to monitoring and evaluation which the program will utilize and why this approach is appropriate. Include the following components of this plan:

a) A list of the types of baseline data that must be collected to demonstrate impact of the program;

b) The process by which the indicators will be developed and how monitoring process and result will be used to inform project management decisions;

c) The ways impact will be evaluated at the end of the activity including how impact will be attributed to the activity;

d) The measurement and data management methods used to collect and analyze the indicator data (data sources, frequency of data collection, and methods for collection and reporting data);

e) A plan for collection and responding to the concerns of the program beneficiaries or stakeholders.

7. *Necessary Analysis*

Provide a summary of the analysis conducted to determine the overall feasibility of the project. This necessary analysis should include, but is not limited to, cost-benefit, market, environmental, and/or demand. The summary and the results of the analysis in this section should clearly demonstrate that the applicant understands the opportunities and constraints of the implementation of the program. This preliminary analysis is not meant to be exhaustive or comprehensive; rather it should demonstrate the feasibility of the project. It is expected that a more robust analysis might need to be conducted as a part of the full project design or in the initial stages of implementation.

8. ***Past Performance and Institutional Capabilities***
Applicants shall include the following information on performance of relevant current programs or those completed during the past three years. This section should include:

   a. A description of the applicant's institutional capacity to manage (technically, administratively, and financially) the proposed program in a technically and culturally appropriate fashion;

   b. A list of key staff and their qualifications with respect to the project goals and objectives as well as language capabilities where appropriate (qualifications can be included as attachments. If attached, include reference here to location of this attachment)

   c. Concise description of the Applicant's, as well as prospective or existing partners' previous work and experience relative to the activities and region or country being proposed during the past three years. For each award, include a brief statements about:
      i. The relevance of the Applicant's past development work to the program being proposed;
      ii. Results achieved;
      iii. Duration, size, and value of the project;
      iv. List of references with contact numbers & e-mail addresses; and information such as location, award numbers if available, brief description of work performed, and contact information with current email addresses and telephone numbers;
      v. Include a copy of the final evaluation if one was done within the past five years.

9. ***Cost Share***
While not mandatory, cost share is expected. It is expected that the proposed budget will be generated from both USG funding plus non-USG funding through cost share from the applicants for the proposed program. The cost share may be a combination of cash and in-kind. Actual and/or expected sources and amounts of the cost-share amount from all sources (other donors, community members, business, etc.) must be stipulated. Criteria for acceptance and allowability for the non-U.S. federal contributions are set forth in 22 CFR 226 (Copies of 22 CFR 226 may be obtained from http://transition.usaid.gov/policy/ads/cfr.html

B) Cost Application Format

The Cost or Business Application is to be submitted under separate cover from the technical application. There is no page limitation on the Cost Application.

The following sections describe the documentation that applicants must submit to USAID/India with their application. While there is no page limit for this portion, applicants are encouraged to be as concise as possible, but still provide the necessary detail to address the following:

1. A detailed budget with an accompanying budget narrative that provides in detail the rationale for proposed costs. The budget narrative should provide information regarding the basis of estimate for each line item, including reference to sources used to substantiate the cost estimate (e.g. organization's policy, payroll document, vendor quotes, etc.).
In addition to the detailed budget, a summary of the budget must be submitted using the following Standard Forms, which can be downloaded from https://apply07.grants.gov/apply/FormsMenu?source=agency:

a) Form SF-424, Application for Federal Assistance;
b) Form SF-424A, Budget Information – Non-construction Programs;
c) Form SF-424B, Assurances – Non-construction Programs; and
d) Pre-award certifications, assurances, and other statement of recipients (available at http://transition.usaid.gov/policy/ads/300/303mav.pdf)

2. The cost/business application should contain the following budget categories:

a. Direct Labor – Direct salaries, wages and annual increases for all personnel proposed under the application shall be in accordance with the applicant's established personnel policies. To be considered adequate, the policies must be in writing, applicable to all employees of the organization, is subject to review and approval at a high enough organizational level to assure its uniform enforcement, and result in costs which are reasonable and allowable in accordance with applicable cost principles. The narrative should include a level of effort analysis specifying personnel, rate of compensation, and amount of time proposed. Anticipated salary increases during the period of the agreement should be included.
b. Supplies and Equipment - Differentiate between expendable supplies and nonexpendable equipment (note: Equipment is defined as tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of $5,000 or more per unit, unless the applicant's established policy establishes nonexpendable equipment anticipated to be required to implement the program, specifying quantities and unit cost.)
c. Allowances- Allowances must be broken down by specific type and by person and must be in accordance with the applicant's established policies.
d. Travel and Per Diem - The narrative should indicate number of trips, domestic and international, and the estimated unit cost of each travel in accordance with the technical application. Proposed per diem rates must be in accordance with the applicant's established policies and practices that are uniformly applied to federally-financed and other activities of the applicant.
e. Other Direct Costs - This could include any miscellaneous costs such as office rents, communications, transportations, supplies and utilities, report preparation costs, passports, visas, medical exams and inoculations, insurance (other than the applicant's normal coverage), etc. The narrative, or supporting schedule, should provide a complete breakdown and support for each item of other direct costs.

f. Proposed Sub-contracts/agreements - Applicants who intend to utilize sub-contractors or sub recipients should indicate the extent intended and a complete cost breakdown, as well as all the information required herein for the applicant. Sub-contract/agreement cost applications should follow the same cost format as submitted by the applicant.

g. Indirect costs are not allowed for awards to indigenous organizations (see Implementing Partner Notice IPN 08-006 at http://transition.usaid.gov/in/working_with_us/ipn.html).

h. Applicants should submit any additional evidence of responsibility deemed necessary for the Agreement Officer to make a determination of responsibility. The information submitted should substantiate that the applicant:

   1. Has adequate financial resources or the ability to obtain such resources as required during the performance of the award;
   2. Has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant, nongovernmental and governmental;
   3. Has a satisfactory record of performance. Past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance.
   4. Has a satisfactory record of integrity and business ethics; and
   5. Is otherwise qualified and eligible to receive a grant under applicable laws and regulations (e.g., EEO).

III.C. Full Application Evaluation Criteria

The criteria below are tailored to the requirements of this particular APS. Applicants should note that the evaluation criteria: a) identifies the significant matters which an applicant should address in its application; and b) sets the standards against which the applicant will be evaluated.

Applicants are encouraged to organize the narrative sections of their technical application in the same order as the evaluation criteria and include the major components below. Pages submitted in excess of the stated limitation will not be considered.

The technical applications shall be evaluated in accordance with the Technical Evaluation Criteria set forth below relative to the information provided to the applicants in Section III.B above, and the Program Description in Section II. An award will be made to a responsible applicant(s) whose application(s) offer the greatest value, potential for impact, innovation, and scalability among other factors.

Technical Evaluation Criteria
The full application will be evaluated on the following criteria with the set maximum point values allocated as noted in the table below.

Technical Application Component	Maximum Points
Technical Approach	50
Innovation	20
Project Management and Implementation Plan	10
Monitoring and Evaluation Plan	10
Necessary Analysis	5
Past Performance and Institutional Capabilities	5
TOTAL	**100**

Technical Approach (50 points)
A technical approach that is well-conceived, technically sound, result-oriented, feasible, and sustainable, which demonstrates a clear understanding of the key issues and focus identified in the Program Description.

Innovation (20 points)
Technical, process, or service innovation where there is a demand for the innovation in a given country, region, market, and/or value-chain. A clear demonstration of the risks and benefits associated with the innovation transfer are defined and the measures proposed to reduce the risks.

Project Management Approach and Implementation Plan (10 points)
The Applicant's application will be evaluated based on the organizational set up for this project, appropriate staffing plan, and clearly defined accountability and responsibility of all partners and sub-awardees.

Monitoring and Evaluation Plan (10 points)
A monitoring and evaluation plan that clearly demonstrates how progress and impact will be tracked, measured, and reported with appropriate milestones and expected accomplishments, including measurable output and performance indicators.

Necessary Analysis (5 points)
Clear demonstration of the opportunities and constraints of the proposed program through analysis and the articulation of a feasible plan to address the identified constraints in the analysis.

Past Performance and Institutional Capabilities (5 points)
Demonstrated past performance in implementing similar programs. USAID may use performance information obtained from other sources.

Following favorable negotiations with the Mission, USAID may award a grant or a cooperative agreement to the institution proposing the partnership.

IV. Award Information

1. Substantial Involvement

USAID anticipates that grants or cooperative agreements will be awarded as a result of this APS. Depending on the applications that are received and selected, USAID may decide to be "substantially involved" in the implementation of the program, and therefore award a cooperative agreement instead of a grant. Cooperative agreements are identical to grants except that in a cooperative agreement, USAID may be substantially involved in one or more of the following areas:

1. USAID review and approval of annual implementation plans (limited to not more frequently than annually);
2. USAID approval of specified key personnel (limited to 5 positions)
3. USAID approval of the recipient's monitoring and evaluation plan
4. USAID authority to immediately halt a construction activity, if applicable;
5. USAID approval of sub-awards (grants), if applicable

For more details of USAID involvement, refer to ADS 303.3.11 at http://www.usaid.gov/policy/ads/300/303.pdf.

2. Award administration

The awards will be managed by USAID/India's Food Security Office in close coordination with the Regional Office of Acquisition and Assistance, Regional Financial Management Office, and Program Support Office. This management will also be coordinated closely with the USAID/Kenya, Liberia, and Malawi FTF teams, as appropriate, for activities deepening and complementing their respective food security and nutrition goals.

USAID reserves the right to close this program at any point up to the closing date. Awards are one-time only and are not renewable. USAID reserves the right, in consultation with applicants, to reduce, revise or increase budgets in accordance with the needs of the program and availability of funds. USAID reserves to the right to make no awards.

It is USAID policy not to award profit under grants and cooperative agreements. Consequently, no fee or profit will be paid to the grant or cooperative agreement recipient.

This program is authorized in accordance with the Foreign Assistance Act of 1961, as amended. Awards shall be made in accordance with OMB Circulars A-21 (for universities) or A-122 (for non-profit organizations), and ADS-303. For Non U.S. Non-Governmental Organizations, the ADS -303 Standard Provisions for Non-U.S., Non-Governmental Recipients will apply. Applicants can find copies of these documents by referring to the USAID Homepage at http://www.usaid.gov/policy/ads/cfr.html#22 and http://www.usaid.gov/policy/ads/omb.html.

3. Reporting
The award recipient(s) will be required to submit an annual work plan, quarterly financial reports, annual reports, and a final end of the project report according to standard USAID requirements. The list of reporting requirements will be finalized and included in the grant or cooperative agreement at the time of award by the Agreement Officer; reporting formats will be provided by the Agreement Officer Representative (AOR). The annual work plan will include a monitoring and evaluation plan, as USAID will be managing for measurable results. The AOR may require quarterly progress reports for that purpose, as indicated in the award instrument. Mid-term (as appropriate based on period of performance) and final independent evaluations are required.

The Recipient will submit all reports to the Mission AOR. The timing, format, and the other instructions will be agreed by the AOR and the recipient's key personnel at the time of award. On receipt of an award, the recipient will be responsible for submission of the following reports to the AOR:

Report	Due
1. Annual work plan	As requested by AOR first year and each subsequent year.
2. Semi-annual technical reports	Within one month of each six-month period.
3. Quarterly financial reports	Within 30 days of the end of each FY quarter
4. Interim evaluation	At such time as mutually agreed, but not later than 18 months after the project start.
5. Final evaluation	Not later than one year of the completion of the award
6. Assessment, evaluations, analysis	As mutually agreed
7. Accrual reports	Not later than 10 days before the end of each quarter
8. Reports of achievements against standard and/or customized indicators	As requested by AOR and consistent with USAID reporting requirements.

5. Marking and Branding
Effective January 2, 2006, all USAID-sponsored assistance awards are required to adhere to branding policies and revised marking requirements for grants and cooperative agreements in accordance with ADS 320. The Branding Strategy will be negotiated and finalized as part of assistance award. ADS 320 may be found at: http://www.usaid.gov/policy/ads/300/320.pdf.

Specific communications and promotion measures shall be described in the "Branding Strategy" and "Branding Implementation Plan" and specific marking will be described in the "Marking Plan" for this award(s).

6. Environmental Compliance

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

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

b) No activity funded under this Agreement will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that activity, as documented in a Request for Categorical Exclusion (RCE), Initial Environmental Examination (IEE), or Environmental Assessment (EA) duly signed by the Bureau Environmental Officer (BEO). (Hereinafter, such documents are described as "approved Regulation 216 environmental documentation.")

7. Prohibition against Discrimination

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

Additionally, USAID is committed to achieving and maintaining a diverse and representative workforce and a workplace free of discrimination. Based on law, Executive Order, and Agency policy, USAID prohibits discrimination, including harassment, in its own workplace on the basis of race, color, religion, sex (including pregnancy and gender identity), national origin, disability, age, veteran's status, sexual orientation, genetic information, marital status, parental status, political affiliation, and any other conduct that does not adversely affect the performance of the employee. Recipients must comply with the requirements of the first paragraph of this provision and in addition, the Agency strongly encourages its recipients and their sub recipients and vendors (at all tiers), performing both in the U.S. and overseas, to develop and enforce comprehensive nondiscrimination policies for their workplaces that include protection for all their employees on these expanded bases.

8. Anti-Terrorism
Applicants are reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the contractor/recipient to ensure compliance with these Executive Orders and laws. This provision will be included in all agreements. For details, please visit http://transition.usaid.gov/policy/ads/300/303.pdf

9. Job Export and Worker's Rights: In accordance with the Foreign Operations Appropriations Act, 2012 (FOAA 2012), Sec. 7028, USAID will not provide assistance:

> (1) To a business located in the U.S. for the purpose of inducing that business to relocate outside the U.S. in a manner that would likely reduce the number of U.S. employees of that business, or
>
> (2) For an activity that contributes to the violation of internationally recognized workers' rights in the recipient country. This is applied commensurate with the level of development of the recipient country and is not to preclude assistance for the informal sector including micro and small-scale enterprise and smallholder agriculture.

10. Surplus Commodities: In accordance with FOAA 2012, Sec. 7025(a), USAID will not provide assistance to establish or expand production of any commodity for export if the commodity is likely to be in surplus on world markets and substantial injury will be caused to U.S. producers of the same, similar, or competing commodities, except under very limited circumstances.

11. Agricultural Activities/Bumpers Amendment: In accordance with FOAA 2012, Sec. 7025(b), USAID will not provide assistance for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training) that would compete with a similar commodity grown or produced in the United States, except under very limited circumstances.

V. Abbreviations and Acronyms

ADS	Automated Directives System
AOR	Agreement Officer Representative
APS	Annual Program Statement
BEO	Bureau Environment Officer
BFS	Bureau for Food Security
CFDN	Catalogue of Federal Domestic Number
CFR	Code of Federal Regulations
CAADP	Comprehensive Africa Agriculture Development Program
EA	Environmental Assessment
FTF	Feed the Future
IEE	Initial Environmental Examination
IR	Intermediate Result
M&E	Monitoring and Evaluation
NICRA	Negotiated Costa Rate Agreement
NGO	Non-governmental organization
OMB	Office of Management and Budget
RCE	Request for Categorical Exclusion
SF	Standard Form
TEC	Technical Evaluation Committee
USG	United Stated Government
U.S.	United States
USAID	United States Agency for International Development

VI. Annex

1. BACKGROUND DOCUMENTS

The following is a list and web links of publically available documents that provides the critical background and details of the FTF programs, the Comprehensive Africa Agriculture Development Program (CAADP) and specific existing programs in Kenya, Liberia, and Malawi. Applicants are strongly encouraged to review the documents to clearly link the innovation(s) to be shared with the demand in Kenya, Liberia, and/or Malawi.

a) Feed the Future Multi-year Strategy and Implementation Strategy documents:

http://www.feedthefuture.gov/country/liberia

http://www.feedthefuture.gov/country/malawi

http://www.feedthefuture.gov/country/kenya

b) Comprehensive Africa Agriculture Development Program:

http://www.caadp.net/pdf/malawi.pdf

http://www.caadp.net/pdf/Kenya.pdf

http://www.nepad-caadp.net/pdf/Liberia.pdf

c) Existing USAID Programs in Kenya, Liberia and Malawi:

1) Kenya Documents (pages 30 – 34):

i. Kenya Value Chain.pdf
ii. Kenya Dairy Program.pdf
iii. Kenya Horticulture Project Statement of Work.pdf
iv. Kenya Innovation Program.pdf
v. Kenya Update 3-29-2012.pdf

2) Liberia Documents (pages 35 – 41):

i. Liberia Update 3-29-2012.pdf
ii. Liberia Palm oil support program.pdf
iii. Liberia Food and Enterprise Development Scope of Work.pdf
iv. Liberia Food for Peace Launch 2.pdf
v. Liberia Food for Peace Launch.pdf
vi. Liberia Prosper Statement of Work.pdf
vii. Liberia Rebuilding Health Services Program.pdf

3) Malawi documents (pages 42 – 43):

i. Malawi Update 03-29-2012.ppt
ii. Malawi FTF Program Summary.docx

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

C.1. BACKGROUND

USAID/Kenya seeks a Contractor to implement the Kenya Feed the Future Innovation Engine (KFIE). KFIE is designed to identify, foster, and bring to scale innovative private sector solutions to persistent poverty and food insecurity.

Poverty and malnutrition in Kenya is the combined result of low agricultural productivity, high population growth, a variety of cultural challenges accelerating urbanization, unpredictable climate change, degradation of natural ecosystems and habitats, poor governance and inadequate infrastructure. As of 2009, 17.8 million Kenyans (46%) lived in poverty. Female-headed households in particular experience lower income and higher poverty incidences. Two million children under 5 are stunted and between 1.5 and 2 million Kenyans require food aid each year.

Although Kenya's challenges are daunting, its agricultural sector shows considerable potential. Presently, Kenya's agricultural sector employs over 75% of the workforce, directly and indirectly accounting for roughly 51% of Kenya's GDP. In addition, the agricultural sector has the capacity for significant growth if irrigation, road, agricultural input, finance, and extension constraints can be addressed.

KFIE is intended to harness the power of innovative *private sector* approaches to leverage resources and integrate new approaches to agricultural solutions, thereby accelerating efforts to address poverty and food security needs in Kenya. USAID intends to build local capacity through KFIE, including directly supporting beneficiaries of KFIE through separate awards.

C.2. PROGRAM GOAL, OBJECTIVES AND EXPECTED RESULTS

Program Goal: To harness innovation for cutting-edge results through private sector strategies with the potential to generate significant measurable increases in household income and/or nutrition in selected agricultural value chains: maize, dairy, horticulture, and staple food crops such as sorghum and millet.

Program Objectives:

1. To systematically test, cultivate, and adapt high-impact innovations which further the objectives of the USAID/Kenya Feed the Future (FTF) Strategy and promote equal opportunities for women, youth, and other vulnerable groups (Refer to Attachments 1 and 3)
2. To support broad adoption of innovative approaches across target populations in the Kenya FTF regions (Refer to Attachment 2) and throughout Kenya where possible.
3. To generate sustainable and scalable private sector solutions to further FTF goals (Refer to Attachment 3)
4. Where appropriate, to identify and promote innovations with the potential for cross national and/or global adoption, which may also be eligible for USAID/Washington Development Innovation Ventures (DIV) support
5. To identify and support Kenyan for-profit and not-for-profit entities in the agricultural value chain to enable the development and adoption of high-impact innovations.

USAID expects that the Kenya FTF Innovation Engine will:

- *Select* promising innovations, illustratively: 24 innovations for Stage 1, 10 innovations for Stage 2, and 4 innovations for Stage 3 over the life of KFIE (Refer to Attachment 1 for explanations of the stages of the innovation model).
- *Coach* and cultivate selected innovations to support their development and adoption.

FEED THE FUTURE

KENYA UPDATE

Country Context

- More than 75% of the workforce is employed in agriculture
- Poverty (under $1.25/day): 50%
- Child stunting: 35%

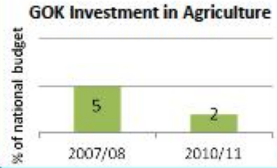
Country Strategy

- **Country Investment Plan:** Medium-term Investment Plan (MTIP) launched September 2010
- **Vision:** A food-secure and prosperous nation by 2020

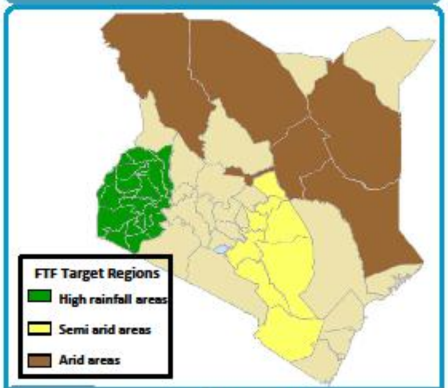
Country Progress

- The five-year MTIP is costed at $3 billion, of which GOK is prepared to fund at least 65%
- GOK's Agricultural Sector Coordination Unit works across ten Ministries to align investments and advance sector reform

GOK Investment in Agriculture



Focus Areas



Focused Investment

Value chain focus: Horticulture, dairy, and maize in the High-Rainfall areas; drought-tolerant crops, horticulture, and pulses in the Semi-Arid areas; and livestock in arid areas

Geographic narrowing: High-rainfall areas and semi-arid areas

Key objectives: Promote value chain growth and diversification to increase the GDP, small-scale farmers' income, and nutritional status and economic opportunities for women, youth, and other vulnerable populations

Partnerships and Innovations

- Work with USDA to provide agricultural policy, science, technology, and capacity building support to livestock and horticulture market sectors through GOK
- "Food Security through Natural Resources Management" Project with Peace Corps
- HortCRSP work with the Kenyan owned A to Z Textile Mills has increased the use of low-cost pest exclusion nets for small vegetable farmers committed to reducing pesticide usage
- Feed the Future is working with the Kenya Agricultural Research Institute to develop virus-resistant varieties of cassava
- Short-message service (SMS) technology used in 24 markets provides weekly market information reporting

FY2013 Budget Request

As part of the President's FY2013 Budget Request for Feed the Future, State and USAID are requesting $50 million for Kenya. As part of the Global Health and Child Survival account, $3 million is requested for nutrition activities.

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

C.1 Background

The Agricultural Value Chain Project in Kenya will partner the local private sector, (predominantly smallholder farmers) to develop fully functioning, competitive value chains in selected production zones in order to increase the productivity of smallholders and incomes of smallholders and other entities up and down the value chain including agro-processors, input suppliers, transporters, exporters, small businesspeople, retailers, and others involved in rural wealth creation.

The Contractor will provide technical services and related resources such as technical equipment, and assist in leveraging loans for value chain financing in order to increase the competitiveness of selected value chains, expand the number of Micro and Small and Medium Enterprises (MSMEs) that can compete in selected markets, improve linkages between those firms and other actors throughout the value chain, increase the gross value of products and services in local and export markets, and expand exports. Activities are expected to produce a "ripple effect" inducing private investments and replication of project successes demonstrated or opportunities identified. The net effect of these activities will contribute to improved economic stability and food security for Kenya, especially in selected rural areas.

To achieve the KAVES objectives, the Contractor shall undertake tasks grouped under the following four components:

1. Activities to close gaps in the selected value chains at the macro or systemic level predominantly by establishing relationships with private sector firms up and down the value chain. In addition, increase the competitiveness of the selected value chains through improvements in the enabling environment, and by expanding markets and trade;
2. Activities that will improve the productivity of selected value chains predominantly at the farm household level through adoption of new technologies for both production and post-harvest practices to increase smallholder productivity and incomes, and enhance on-farm food security;
3. Activities to improve nutrition-related behaviors and improve access to diverse and quality food through improved provision of potable water and improved sanitation and hygiene and through a diversification of crop production; and,
4. Activities to build sustainable local organizations (including public sector agencies, non-governmental organizations (NGOs), civil society organizations, private sector entities, trade and professional associations, including producer associations) that are currently capable of, or will be strengthened to receive direct USAID funding to undertake agricultural value chain activities in Kenya.

To achieve its objectives, the KAVES project shall be: (a) market-driven; (b) flexible and responsive to targets of opportunity; and (c) results-oriented. The Contractor shall implement the KAVES project in close coordination with other Feed the Future, USAID and donor-supported projects involved in rural economic growth activities. The Contractor shall work in particular to bolster the activities of GOK institutions funded by USAID including the newly-developed Tegemeo Agricultural Policy Reform and Analysis Project (TAPRA II) which will provide analysis of pertinent policy issues and the Kenya Agricultural Research Institute (KARI) Integrated Agricultural Research and Development project which will undertake adaptive research appropriate to project farmers including the development of new drought-tolerant varieties and other new technologies. The Contractor shall work with Tegemeo to drive policy reforms or modifications recommended by the policy analyses undertaken.

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

C.1 BACKGROUND

C.1.1 Economic Importance of the Dairy Sector in Kenya

Dairy farming is the most developed sector of Kenya's agricultural economy with estimated annual revenue ranging from $680 to $940 million. Milk represents about 8% of Kenya's GDP. Some 600,000 smallholders, most of them located in the Central Highlands and Rift Valley, milk two to four cows and deliver raw milk to vendors ("hawkers") or local milk bulking/cooling centers. These smallholders produce an estimated 56% of total milk produced and 70% of milk actually marketed. The dairy sector is the second largest contributor to agricultural GDP after beef, with revenues estimated to be 14% of total agricultural production. An estimated 3.5 million dairy cattle – reportedly 70% of the total dairy herd in Africa and equal to that of New Zealand – are milked. Some 3.5 billion liters of milk are produced per annum. Of that total, cattle produce 88%, camels 9% and goats 3%. Improved genetic stock constitutes approximately 25% of the national dairy cow herd.

Kenya ranked second of 13 principal milk producing countries in the East African Community (EAC) and the Common Market of Eastern and Southern Africa (COMESA) in 2003. Total intra-COMESA dairy trade was valued at $14.5 million with imports valued at $225.8 million and exports valued at $27.3 million. It was estimated recently that $20 million of dairy products was traded in the region (although cross-border flows are not tracked), with only 5% coming from within the region.

In 2002, Kenya's dairy exports of $1.2 million were negatively balanced by imports of $4.0 million of which more than 50% was powdered milk subject to high tariffs. More than 95% of Kenya's exports are to African countries, and of these 50% goes to Tanzania. Over 75% of Kenya's dairy imports are in the form of powdered or infant milk that might be reconstituted from imported material. Of its imports, 51% were from European countries, 25% from South Africa and Zimbabwe, and 14% from Australasia, mainly New Zealand and Australia.

With a domestic market orientation, Kenya's dairy sector growth is being driven by urban demand, currently growing at 4.6% per year. However, research that segregates levels of urban versus rural consumption is inconclusive to date. Yet milk pricing depicts a clear gap in levels of consumption between raw milk sold through the informal market, that is, milk sold unpasteurized directly to traders, and pasteurized milk sold through the "cold chain", through food vendors and supermarkets.

Prices paid by consumers vary by region, that is, in milk-surplus or deficit areas, but even more importantly by consumers' access to milk in their immediate neighborhoods. Such price information is both difficult to determine and highly variable. Farmers who sell directly to consumers profit the most since there are no intermediaries, transport or processing costs and little, if any, competition for the raw milk by the formal marketers in remote areas. As might be expected, a large price gap exists between the lowest cost raw milk and highest quality pasteurized product.

Given that the share of total household food expenditures for dairy products is currently only 2-5%, it is clear that consumer education is greatly needed to raise the level of awareness about the nutritional benefits of milk.

C.1.2 Milk Marketing

Kenya's growing urban population and expanding middle class have created increased demand for milk and milk products. Milk in Kenyan households is traditionally purchased as "whole milk", boiled and consumed warm with tea. Consumption of pasteurized, chilled milk, with standardized fat levels is a relatively new phenomenon that requires consumer education and promotion to achieve levels of growth in demand that will parallel increases in availability of raw milk as dairy cow numbers expand and cow productivity increases.

SECTION C – DESCRIPTION / SPECIFICATIONS/STATEMENT OF WORK

C.1 BACKGROUND

Horticulture is described as the industry and science of plant cultivation that includes research in the disciplines of plant propagation and cultivation, crop production, plant breeding and genetic engineering, plant biochemistry, and plant physiology. Horticulture industry particularly involves fruits, berries, nuts, vegetables, flowers, trees, shrubs, and turf.

Horticulture involves five areas including **Floriculture** (includes production and marketing of floral crops), **landscape horticulture** (includes production, marketing and maintenance of landscape plants), **Olericulture** (includes production and marketing of vegetables), Pomology (includes production and marketing of fruits), and post-harvest physiology (involves maintaining quality and preventing spoilage of horticulture crops).

Over 80% of Kenya's population of 35 million derives in part of its livelihood from agriculture. And, over 75% of the agricultural output in Kenya is from small-scale rain-fed farming or livestock production. Overall agricultural productivity is low and Kenya remains among the relatively poor countries in Africa, with more than 50 percent of the people living below the poverty line and between 1.5 and 3.5 million people dependent on food assistance in recent years. As demonstrated by the recent post-election violence in late 2007, shocks to the agricultural production can have dramatic impact. In early 2009 it is estimated that between 3 and 4 million people were without adequate food because of the impact the violence had upon food production, which was further exacerbated by low levels of rainfall.

To achieve strong growth in Kenya's economy, a particular effort will be required to ensure that overall growth is equitable and touches the majority of the rural population. An improved agricultural sector is one essential element of such a broad-based poverty reduction strategy. For Kenya to accelerate its economic growth and reduce poverty, it must take concerted measures to increase agricultural productivity and market competitiveness, expand and solidify the linkage of the rural poor to growing markets, and further strengthen the agricultural regulatory environment.

In 2008 Kenya's horticulture sector surpassed tourism as the country's leading earner of foreign exchange. Part of this was due to recent violence negatively affecting the tourist trade, but an important part was due to the continued and accelerated growth of the horticulture sector. Within the region Kenya ranks highest in quantity and value of horticulture exports. In 2004 the value of exports was estimated at $410 million, and in 2008 it was an estimated $1.16 billion. Baring unexpected shocks to the market, most actors believe the growth of exports will continue, although it is yet unknown how the current worldwide economic climate, particularly in Europe, will impact Kenyan exports. Cut flowers, fresh fruits and vegetables and processed fruits and vegetables comprise the bulk of the horticulture exports. Recent USAID assistance has begun production work on tree crops, spices and indigenous vegetables to take advantage of market

USAID FROM THE AMERICAN PEOPLE FOOD FOR PEACE

Liberian Agricultural Upgrading, Nutrition and Child Health (LAUNCH)

ACDI VOCA
Expanding Opportunities Worldwide

Background:

In June 2010, the Office of Food for Peace awarded ACDI/VOCA a five-year, $45 million Title II Multi-Year Assistance Program in Liberia. ACDI/VOCA, working with Project Concern International, John Snow Inc. and Making Cents International, will implement the Liberian Agricultural Upgrading, Nutrition and Child Health (LAUNCH) project to reduce food insecurity among vulnerable rural populations. As part of program implementation, 42,200 metric tons of food commodities will be shipped to Liberia to support program objectives through both monetization and direct distribution reaching about 130,000 beneficiaries in six districts of Bong (Salala and Sanoyea) and Nimba (Gbor, Wee Gbey Mahn, Zoe Gbao, Yapea Mahn) Counties.

Strategic Objectives and Results:

Increasing availability of and access to food to vulnerable populations (Improved Smallholder Production through farm management practices and access to quality agricultural inputs; Increased Rural Household Livelihood Opportunities through increased market linkages and access to financial resources)

Reducing chronic malnutrition of vulnerable women and children under 5 years (Improved nutrition, feeding and care practices among PLWs and children under 2; Improved prevention and treatment of maternal and child illness by strengthening clinic responses to community health needs, Improved community mobilization for health & nutrition services; and Improved water and sanitation usage

Increasing access to education opportunities for youth (Improved access to primary education and increased access to livelihood based education for youth)

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C.4 Statement of Objectives

Approaches to land and forest management that promote the rights of all Liberians to participate more fully in the economic growth of the country will complement and enhance development programs, particularly those focused on improving natural resource management and promoting marketable products based sustainable natural resource use. The People, Rules and Organizations Supporting the Protection of Ecosystem Resources (PROSPER) Program will build on previous USAID Liberia investments in the forestry and agricultural sectors, particularly the Land Rights and Community Forestry Program (LRCFP).

The overall goal of PROSPER is to introduce, operationalize and refine appropriate models for community management of forest resources for local self-governance and enterprise development in targeted areas of the country. The program will accomplish that by improving human, legal, regulatory and institutional capacities in environmental awareness and wise stewardship of natural resources with the aim of extending community-based forest management as well as community-based forestry and agricultural enterprise development throughout Liberia. **In implementation sites in rural Liberia, PROSPER will focus on approaches that increase the knowledge and capacity required to implement the legal and policy requirements for sustainable forest management; protect and enhance land tenure and property rights; promote environmental awareness and compliance; and ensure biodiversity conservation on the part of communities and their development partners. Specifically PROSPER will work to build the capacity to develop and promote community-based natural resource management and enterprise programs that produce environmentally-sustainable and equitable economic benefits for rural residents. PROSPER will also share its community-level experiences with national-level decision making actors and processes in order to improve national-level policy development for community-based forest management; community-based agricultural and forest enterprises; and land tenure and property rights.**

This program represents a significant addition to prior USG investments in improved governance, community forestry, agriculture, enterprise development and natural resource management in Liberia and supports important food security, biodiversity conservation, democratic governance, education and economic growth objectives of the US Government in Liberia.

Program objectives

Under the PROSPER Program activities shall be implemented to achieve the following three key objectives:

Objective 1: Expanded educational and institutional capacity to improve environmental awareness, natural resource management, biodiversity conservation and environmental compliance

Objective 2: Improved community-based forest management leading to more sustainable practices and reduced threats to biodiversity in target areas

Objective 3: Enhanced community-based livelihoods derived from sustainable forest-based and agriculture-based enterprises in target areas

Rebuilding Basic Health Services (RBHS)

The Rebuilding Basic Health Services (RBHS) project is funded by the United States Agency for International Development through Cooperate Agreement No: 669-A-09-00001-00 and is implemented by JSI Research & Training Institute, Inc., in collaboration with Jhpiego, the Johns Hopkins University Center for Communication Program (JHU/CCP), and Management Sciences for Health (MSH).

Under the current five year agreement RBHS works mainly in 3 focus counties; Bong, Lofa and Nimba to achieve 2 key Intermediate Results (IR):

IR1: Increased access to basic health services through improved provision of quality health services and adoption of positive health behaviors. Under this intermediate result RBHS seeks to;

- *Increase access to comprehensive Maternal Newborn and Child Health services*
- *Increase uptake of three critical malaria interventions: treatment with ACT, preventive treatment of pregnant women, sleeping under ITNs*
- *Increase access to quality HIV/AIDS and TB services, with an emphasis on prevention*
- *Increase access to comprehensive family planning and reproductive health services*
- *Finalize infrastructural work including environmental interventions*

IR2: Increase the quality of health services through improving infrastructure, health workforce and systems performance by enhancing capacity to plan, manage and monitor a decentralized health system. In line with this, RBHS would:

- *Build capacity of the Central Ministry of Health and Social Welfare (MOHSW) through the six building blocks of a health system*
- *Strengthen MOHSW systems and human capacity at county level (Bong, Lofa, Nimba)*
- *Strengthen Professional Health Institutions, including Tubman National Institute for Medical Arts (TNIMA), Esther Bacon School of Nursing and Midwifery (EBSNM), Liberia Board of Nursing and Midwifery (LBNM) and Liberia Medical & Dental Council (LMDC)*

Intermediate Result 1 focuses on increased access to basic health services while Intermediate Result 2 focuses on capacity building. All of RBH's activities lead to strengthen the 6 WHO health system building blocks which include both clinical and preventive components. They are:

1. *Delivering Essential Health Services*
2. *Health workforce*
3. *Health Information systems*
4. *Access to Essential Medicines*
5. *Health systems financing*
6. *Governance and Leadership.*

FEED THE FUTURE

LIBERIA UPDATE

Country Context

- 182 of 187 in the Human Development Index
- Poverty (under $1.25/day): 84%
- Child stunting: 42%

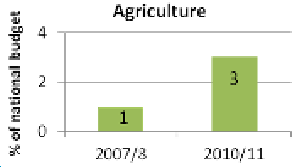
Country Strategy

- **Country Investment Plan:** Approved June 2010
- **Vision:** Transform agriculture and maximize its contribution to income, poverty reduction, employment, and food and nutrition security
- **GAFSP beneficiary** ($46.5 million)

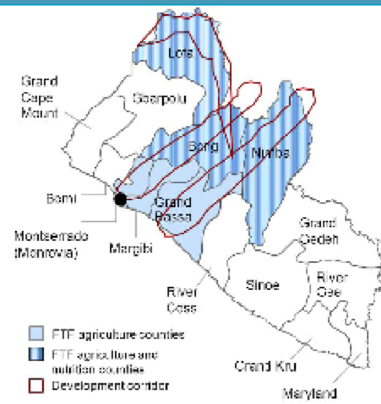
Country Progress

- Agricultural GDP grew by 19% in 2008
- President Sirleaf has committed to smallholder agriculture as engine of long-term growth, especially through private sector investment

Increased GOL Investment in Agriculture



Focus Areas



Focused Investment

Value chain focus: Rice, cassava, vegetables, goats

Geographic narrowing: Six counties along Liberia's main economic development corridors

Key objectives:

- Transforming staple (rice and cassava) value chains
- Developing income and diet diversification value chains (vegetables and goats)
- Improved private sector enabling environment

Partnerships and Innovations

- FTF, Food for Peace (FFP), and USDA programs are working together to improve food security in schools.
- Partnership between USAID FFP and UNICEF to support Ministry of Health efforts to scale up Essential Nutrition Actions has resulted in a new Nutrition Division within the Ministry to support coordination efforts
- One FFP program is developing women-run microenterprises producing and selling soy-based "Soymilk" using low-energy processing machines that do not require electricity
- Entrepreneurs supported by FFP have developed and produced 11 MT of "super gari," a soy-fortified nutritional product made primarily from local cassava for use in school feeding and maternal child health programs

FY2013 Budget Request

As part of the President's FY2013 Budget Request for Feed the Future, State and USAID are requesting $10 million for Liberia.

FACT SHEET

Project Name: **Smallholder Oil Palm Support (SHOPS) Program**

Mission: Increase Incomes, Create Jobs, Improve Food and Financial Security.

Situational Analysis:

- Palm oil is Liberia's main cash crop in terms of the number of households involved, with 18%[1] involved in oil palm production.
- Of Liberia's over 160,000[2] acres of planted oil palm trees (roughly 10million oil palm trees), the vast majority (over 98%) are over 30 years of age and in need of immediate replanting.
- Liberia has no palm seed breeding program, nor oil palm research center[3], high quality pre-germinated oil palm seeds are imported from neighboring countries.
- In 2009, Liberia imported between 14,000 to 17,000 MT[4] of palm oil, with an economic value of between US$12million – S14.5million.
- Processing of palm kernel for high value palm kernel oil and palm kernel cake is non-existent and palm kernel is left wasted and unused.
- Access to financial services in rural areas of production is limited.
- Women face difficulties in entering the lucrative oil palm sector due to social, financial and land tenure constraints.

Project Activities: The SHOPS program is designed around four components which aim to increase farmer capacity to meet market demand: 1) increased production; 2) improved processing; 3) effective marketing; and 4) enabling environment and support functions. Under the four main components, the SHOPS Program is:

- Developing commercial linkages to highly productive hybrid oil palm seeds
- Training nursery operators to produce and commercialize improved hybrid seedlings
- Training manufacturers and vendors to produce and sell improved processing technologies; including the Freedom Mill 2, motorized Freedom Mill and palm kernel cracker and separator, using locally available materials.
- Developing financial services to the agricultural sector through the strengthening of market and financial institution linkages and improving demand and supply side capacity.
- Strengthening women's entry into the value chain by developing credit, encouraging entry into processing and developing production models suitable for rural women.

Project Duration: **April 2011 to April 2014**

Progress to Date:

23	Active nurseries producing a total of 52,100 oil palm seedlings
128	Processing units sold
101	Loan recipients receiving over $59,000 USD in loans
89	Enterprise generating profits
3,117	Participants generating increased income
$242,465 USD	of private sector investment generated
$893,985 USD	of annual income generated

[1] 2010 FAO Report: "Comprehensive Food Security and Nutrition Survey
[2] 2008 IFC report: "Review of the Oil Palm Sector in Liberia"
[3] 2008 IFC report
[4] 2008 FAO estimates, 2009 USDA estimates

SECTION C – STATEMENT OF WORK

C.1 BACKGROUND

The people of the Republic of Liberia are struggling to rebuild their livelihoods in the aftermath of a bloody civil war and decades of autocratic mismanagement and neglect. Despite an abundance of natural resources, and a relatively small population of 3.4 million for a country the size of Tennessee, Liberia is caught in a vicious cycle of poverty and conflict. From the start of the war in 1989 until 2003, the country's gross domestic product per capita fell by 76%. Some of the consequences of sub-par economic growth are that approximately 75 % of the population does not have access to potable water; 40 % of children under five years are malnourished resulting in stunted growth; and approximately 80% eke out a living on less than $US 1 per day.

Liberia is one of the most food insecure countries in Africa; a tragic irony considering the abundant sources of water and lush vegetation. In 2007, Liberia produced only about 40% of its staple food (i.e. rice) requirement. Since December 2007, rice prices have increased 60%; conversely, real incomes have declined. Only 9% of the country's rural population is food secure.[1] Liberia's high levels of poverty and unemployment will not decline without a sustainable increase in agriculture and agribusinesses. Without increasing agricultural growth now, it would be impossible to achieve the rates of agricultural and non-agricultural sector growth required to meet Millennium Development Goal (MDG) by 2015, estimated at 26% and 54%, respectively. Food crops (rice, cassava and horticultural crops) and cash-export crops (rubber, coffee and cocoa) exhibit the highest levels of contribution to agricultural incomes. An additional 1% growth per year sustained until 2015 in either the food or cash crop sector would generate an incremental income of $24 million and $13 million respectively. The corresponding decline in the overall rate of poverty would be 5% to 5.72% respectively compared with projected rates at current trends.

Data indicates that 40% of post-conflict countries slide back into chaos within ten years.[2] Liberia is situated in a precarious position where the development gains made during its post-conflict period can be quickly erased by external shocks such as the global recession and/or by internal disorder (which could arise due to a contentious Presidential election). The Government of Liberia (GOL), with support from the international community, seeks a balance between the political demands and expectations of its citizens to expedite delivery of tangible improvements and the requisite planning, logistical, and financial procedures that impede the achievement of rapid results.

Economic growth alone does not assure poverty reduction. Growth must be inclusive and equitable. Liberia's historical reliance on extractive industries (e.g. mining, timber) has contributed to financial benefits and economic power coalescing among elite groups. Unresolved ethnic, regional and religious tensions remain that can easily refuel civil conflict. Desperation and discontentment within large segments of the Liberian population regarding their poor standard of living can breed unrest and short-sighted, corrupt behavior. The benefits of country's GDP growth gains (9.8% in 2008) will be compromised if entrenched inequities remain unaddressed. The global recession has exacerbated poverty as a consequence of declining remittances, foreign investment and foreign exchange earnings from rubber, timber and iron ore.

Liberia's rapidly growing and youthful population (the country has the highest population growth rate in the world and 67 % are below the age of 25 years) presents a challenge (and an opportunity)

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[1] UNFAO Liberia 2008 Post-harvest Crop Assessment

[2] USAID/EGAT 2008 Liberia Economic Recovery Assessment

USAID FROM THE AMERICAN PEOPLE FOOD FOR PEACE

Liberian Agricultural Upgrading, Nutrition and Child Health (LAUNCH)

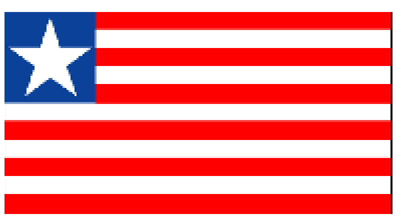
An integrated approach to improving food security

In June 2010, USAID's Office of Food for Peace awarded ACDI/VOCA a five-year, $40 million Title II Multi-Year Assistance Program in Liberia. ACDI/VOCA, working with Project Concern International, John Snow Inc. and Making Cents International, will implement the Liberian Agricultural Upgrading, Nutrition and Child Health (LAUNCH) project to reduce food insecurity among vulnerable rural populations. As part of LAUNCH, 42,200 metric tons of food commodities will be shipped to Liberia to support program objectives through both monetization and direct distribution.

ACDI VOCA
Expanding Opportunities Worldwide

Increasing availability of and access to food

ACDI/VOCA will train Liberian farmers on how to use environmentally sustainable production techniques, improve post-harvest practices, integrate cash crops into smallholder production systems, increase access to savings and credit, and develop business skills. Working through farmer associations, LAUNCH will build the technical, management and business skills of approximately 10,800 farmers.



LAUNCH will use a value chain approach to help farmers identify market opportunities and address constraints. The program will target commodity value chains such as rice, cocoa, horticulture and poultry. It also will work with private sector businesses and formal financial institutions to implement market-oriented strategies for increasing beneficiary access to products, services and markets.

FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

MALAWI UPDATE

Country Context

- Poverty: 38%
- Child stunting: 47%
- Agriculture sector remains highly vulnerable to recurring droughts

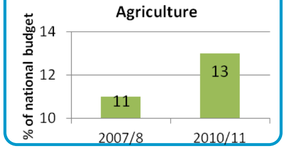
Country Strategy

- **CAADP: Compact** Signed in 2010; Business Meeting held 2011
- **Vision:** Food security is top domestic policy issue
- Agriculture Sector Wide Approach document describes government's agricultural development agenda

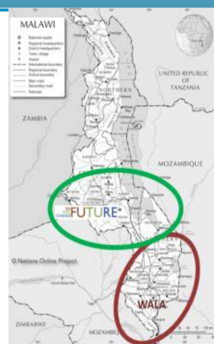
Country Progress

- One of few countries meeting CAADP spending and growth targets.
- Secretariat for Nutrition in President's Office and substantial budget commitments to implement national nutrition policy.

GOM Investment in Agriculture



Focus Areas



Focused Investment

Value chain focus: Legumes and dairy

Geographic narrowing: Seven districts straddling central and southern regions (Dedza, Mchinji, Lilongwe, Ntcheu, Mangochi, Balaka, and Machinga)

Key objectives:

- Improved nutritional status of women and children
- Value chain investments to develop markets and improve nutritional options
- Engaging the Malawi government to improve the policy environment

Partnerships and Innovations

- Introduced market information system with 7,000 users that links farmers to grain bulking centers and the Agriculture Commodity Exchange. Private partners, such as Land O'Lakes, also use the system to provide dairy farmers with reliable information on extension services and insurance premiums
- Malawi approved the first confined field trial of a genetically engineered insect resistant cotton to be planted in Nov 2012
- Strong donor collaboration and participation in a World Bank-managed multi -donor trust fund to support Malawi's Country Investment Plan
- MOU with Irish Aid to leverage resources for agriculture and nutrition activities
- Trilateral partnership opportunities with India and South Africa

FY2013 Budget Request

As part of the President's FY2013 Budget Request for Feed the Future, State and USAID are requesting $8 million for Malawi. As part of the Global Health and Child Survival account, $4.2 million is requested for nutrition activities.

Brief Summaries of Current USAID/Malawi Activities in Agriculture/Food Security

Feed the Future (FTF)

Under the USG FTF Initiative, which addresses the root causes of hunger that limit the potential of millions of people and establishes a lasting foundation for change by aligning U.S. Government resources with country-owned processes and sustained, multi-stakeholder partnerships, USAID will implement a three-pronged strategy to address food security challenges in Malawi.

1) ***Promote improved nutritional behaviors*** – USAID/Malawi's nutrition strategy is a national strategy, aligned with Malawi's National Nutrition Policy, and designed to meet the goals of both FTF and the Global Health Initiative (GHI) through a balanced approach between traditional therapeutic programs for near-term impact and capacity and systems building for the long-term. At the national level, investments will leverage resources from across the GHI portfolio to focus on behavior change and capacity building within health systems. The Mission will also leverage and complement its value chain investments through targeted programs at the local level, focusing on behavior change and capacity building with district level health workers to intensify household level messaging about dietary diversification and improved feeding to pregnant women, young children and infants. The increased availability of nutritious foods resulting from FTF value chain interventions will similarly reinforce nutrition efforts.

2) ***Invest in high potential value chains to develop markets and improve nutritional options*** – Analysis of staple crop, cash crop and livestock value chains in Malawi identified legumes and dairy as having the strongest business case, greatest potential for nutrition and gender benefits, and best opportunities for innovation and leveraging other USG, donor and government resources. Furthermore, recent analysis conducted by the USAID Southern Africa Trade Hub found that legumes, in particular, offers strong market potential based on its market share and average annual growth rate in the region. Both legumes and dairy are high protein, popularly consumed foods that traditionally have strong involvement of women. The two value chains are also mutually reinforcing, as legumes are an important input for livestock feed, and groundnuts, soy, and dairy are principle inputs in therapeutic food production, of which Malawi has three separate producers. Both have similar constraints that suggest a technical approach focused on building market systems, with small and medium-size agro-dealers and bulking centers as change agents. Building capacity of agro-dealers and private sector associations to provide better supply of inputs and services and ensure more regular output markets, will improve the quality of produce and ensure higher prices for producers while also meeting demand of processors and exporters. This model will build demand for both inputs and outputs, improve stability of that demand and stabilize prices. Finally, as the change agents in the legume value chain overlap with maize and other staples, this strategy allows us to impact other value chains as well, without baring the risks associated with some other value chains like maize. A preliminary cost benefit analysis of the two value chains revealed that they return very high positive benefits to our FtF investments. For instance, each $1 invested in the legume value chain returns $10 in benefits to the legume sector while for dairy, each $1 spent yields $2 in benefits.