Date: February 1, 2010

Gary A. Kuhn  
Executive Director  
Roots of Peace  
1299 Fourth Street, Suite 200  
San Rafael, CA 94901  
USA

Reference: Roots of Peace Application dated December 22, 2009, as revised

Subject: Cooperative Agreement No. 306-A-00-10-00512-00, Commercial Horticulture and Agriculture Marketing Program (CHAMP)

Dear Mr. Kuhn:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) hereby awards to Roots of Peace, hereinafter referred to as the "Recipient", the sum of $3,731,834 to provide support for a program in Afghanistan as described in the Schedule of this award and in Attachment B, entitled "Program Description."

This Cooperative Agreement is effective and obligation is made as of the date of this letter and shall apply to expenditures made by the Recipient in furtherance of program objectives during the period beginning with the effective date February 1, 2010 and ending January 31, 2014. USAID will not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

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

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

Sincerely yours,

J. G. Kryschtal  
Agreement Officer

Attachments:  
A. Schedule  
B. Program Description  
A. GENERAL

1. Appropriation: 729/01037-90
2. Amount Obligated this Action:
3. Total Estimated USAID Amount: $30,420,241

C. PAYMENT OFFICE

U.S. Agency for International Development
Letter of Credit
M/FM/CMP/LOC Unit
RRB 7.07-107, 134
1300 Pennsylvania Avenue, NW
Washington, DC 20523-7700
Attachment A  SCHEDULE

A.1 PURPOSE OF COOPERATIVE AGREEMENT

The purpose of this Cooperative Agreement is to provide support for the program described in Attachment 2 to this Cooperative Agreement entitled "Program Description."

A.2 PERIOD OF COOPERATIVE AGREEMENT

1. The effective date of this Cooperative Agreement is February 1, 2010. The estimated completion date of this Cooperative Agreement is January 31, 2014.

2. Funds obligated hereunder are available for program expenditures for the estimated period of February 1, 2010 to January 31, 2011. Each extension of the period of availability of funds obligated into this Agreement is subject to USAID’s review of performance reports submitted pursuant to Section A.5.2 of this agreement and USAID’s satisfaction as to the progress of the project. A given extension of period of availability shall not exceed one year.

A.3 AMOUNT OF COOPERATIVE AGREEMENT AND PAYMENT

1. The total estimated amount of this Cooperative Agreement for the period shown in A.2.1 above is

2. USAID hereby obligates the amount of program expenditures during the period set forth in A.2.2 above. The Recipient will be given written notice by the Agreement Officer if additional funds will be added. USAID is not obligated to reimburse the Recipient for the expenditure of amounts in excess of the total obligated amount.

3. Payment will be made to the Recipient by Letter of Credit in accordance with procedures set forth in 22 CFR 226.

A.4 COOPERATIVE AGREEMENT BUDGET

The following is the Agreement Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with 22 CFR 226.
<table>
<thead>
<tr>
<th>Cost Category</th>
</tr>
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<tbody>
<tr>
<td>Salaries</td>
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<tr>
<td>Fringe Benefits</td>
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<tr>
<td>Allowances</td>
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<tr>
<td>Travel and Per Diem</td>
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<tr>
<td>Program Inputs and Supplies</td>
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<tr>
<td>Other Direct Costs</td>
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<tr>
<td>Subcontractor</td>
</tr>
<tr>
<td>Training</td>
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<tr>
<td>Procurement</td>
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<tr>
<td>ROP G&amp;A</td>
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<tr>
<td>ROP Overhead</td>
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<tr>
<td>Total USAID Amount</td>
</tr>
<tr>
<td>Recipient Cost Share/Matching</td>
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<tr>
<td>Grand Total</td>
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</table>

### A.5 REPORTING AND EVALUATION

#### 1. Financial Reporting

1. The Recipient must submit the Federal Financial Form (SF-425) on a quarterly basis via electronic format to the U. S. Department of Health and Human Services (http://www.dpm.psc.gov). The recipient must submit a copy of the FFR at the same time to the Agreement Officer, the Agreement Officer's Technical Representative (AOTR) and the Office of Financial Management at Kabulfinancialreport@usaid.gov.

2. The Recipient must submit the original and two copies of all final financial reports to USAID/Washington, M/CFO/CMP-LOC Unit, the Agreement Officer, and the AOTR. The Recipient must submit an electronic version of the final Federal Financial Form (SF-425) to U. S. Department of Health and Human Services in accordance with paragraph (1) above.

#### 2. Program Reporting

The Recipient shall submit an original and two copies of the below submittals to the Agreement Officer's Technical Representative.

A. Implementation Plan and Performance Monitoring Plan
Within 60 calendar days of award, the Recipient will submit a first year Implementation plan and cash flow plan. Subsequent annual Implementation plans will be submitted 30 calendar days following each annual anniversary of Agreement award. Each annual plan submittal will consist of a detailed current year plan and less detailed plans for the remaining years of the Agreement. The cash flow plan will project total Program costs, both USAID and Recipient cost sharing contributions.

Each annual plan will include a Performance Monitoring Plan (PMP) for the remaining period of performance. These plans will establish planned activity benchmarks and milestones of progress expected in achievement of the results and objectives of the Program. The initial Implementation plan will also include description of the process and system the Recipient will use for collecting baseline data, establishing benchmarks and milestones, and monitoring performance.

The Implementation plan and the performance monitoring plan will be subject to the approval in writing by the OTO, and the Recipient will update the plans at any time when significant changes are made to them.

B. Program Updates

On a biweekly basis, the Recipient shall provide the AOTR brief, timely, informal updates that provide information such as progress toward accomplishing each objective and achieving expected results, constraints, changes in the situation and any aspects of the program that show demonstrable progress and achievement ("success stories"). Electronic submission is preferred over hard copy.

C. Progress Reports

The Recipient will submit three quarterly performance reports and a fourth quarter annual performance report per year. These reports will indicate progress achieved towards benchmarks, highlight tangible results, identify any problems encountered in implementation and propose remedial actions as appropriate. The Recipient will also report the total number of Afghans employed by their program and the overall amount of funds spent in Afghanistan by their program.

The annual reports will include actual progress and achievement against the activity plan. Annual reports will be submitted 30 calendar days after the anniversary of the Agreement award. Each annual report will cover activities completed during the preceding 12 months, reasons why any achievement is materially behind plan, and the need to revise the activity, benchmarks or
results. Annual reports will include the data collected to measure progress against the PMP.

D. Financial Analysis Reports

The Recipient will submit quarterly financial analysis reports along with the quarterly progress reports. These reports will provide a variance analysis of actual expenditures by component, including Recipient cost share contributions, versus the cash flow plan, and any remedial action needed.

E. Demobilization Plan

Six months prior to the completion date of the Agreement, the Recipient will submit a Demobilization Plan for AOTR approval. The Demobilization Plan will include, at a minimum, a current USAID-funded inventory and property disposition plan, a plan for the phase-out of in-country operations, a schedule for all reports and completion of Program activities, and a timeline for completing all required actions in the Demobilization Plan.

3. Final Report

The Recipient shall submit the original and one copy to the AOTR and the Agreement Officer (if requested), and one copy, in electronic (preferred) or paper form of final documents to one of the following: (a) Via E-mail: docssubmit@dec.cdie.org ; (b) Via U.S. Postal Service: Development Experience Clearinghouse, 8403 Colesville Road, Suite 210 Silver Spring, MD 20910, USA; (c) Via Fax: (301) 588-7787; or (d) Online:

http://www.dec.org/index.cfm?fuseaction=docSubmit.home

The final performance report will be submitted within 90 days following the completion date of the project and shall contain the information described in 22 CFR 226.51 (d) covering the full period of this Cooperative Agreement. A draft of the final report will be submitted 30 calendar days prior to the Agreement completion date.

A.6 INDIRECT COST RATE

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Base</th>
<th>Type</th>
<th>Period</th>
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<tbody>
<tr>
<td>Fringe Benefits</td>
<td></td>
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</table>
A.7 TITLE TO PROPERTY

Property Title will be vested with the Cooperative Country.

A.8 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this award is 935.

A.9 COST SHARING
The Recipient agrees to expend an amount not less than 12.87% of the total activity costs.

A.10 SUBSTANTIAL INVOLVEMENT

Substantial involvement during the implementation of this Agreement shall be limited to approval of the elements listed below:

a. Approval of Recipient Implementation Plans

b. Approval of specified key personnel assigned to the positions listed below. All changes thereto must be submitted for the approval by the Agreement Officer's Technical Representative.

Title: Country Director
Title: Program Director
Title: Finance Director
Title: Deputy Director-Orchard Field Operations

c. Agency and recipient collaboration or joint participation including:

(i) Approval of the Recipient’s Monitoring and Evaluation Plan
(ii) Agency Monitoring to permit specified kinds of direction or redirection because of interrelationships with other projects
(iii) Concurrence on the substantive provisions of the sub-awards

The Agreement Officer hereby delegates the approval authority of the above elements to the AOTR except for changes to the Program Description set forth in Attachment B of this agreement and Approved Budget set forth in Section A.4 above. Only the Agreement Officer may approve changes to the Program Description and Approved Budget after review by the AOTR.

A.11 SPECIAL PROVISIONS

A.11.1 BRANDING STRATEGY AND MARKING PLAN

The Recipient's Branding Strategy and Marking Plan of October 11, 1009 are hereby approved, incorporated by reference and made part of this cooperative agreement.

A.11.2 NON-FEDERAL AUDITS

In accordance with 22 C.F.R. Part 226.26 Recipients and subrecipients are subject to the audit requirements contained in
the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Recipients and subrecipients must use an independent, non-Federal auditor or audit organization which meets the general standards specified in generally accepted government auditing standards (GAGAS) to fulfill these requirements.

A.11.3 DATABASE REPORTING REQUIREMENTS

USAID/Afghanistan uses a management information system to track program and project information for all mission-funded activities. The purpose of this database is to track the location of project implementation, document the use of funds, and monitor development projects, while maintaining coordination between USAID/Afghanistan, USAID/Washington, Congress, implementing partners, the Government of Afghanistan, and other donors. This reporting process supports the Government of Afghanistan's requirement that USAID provide information to the Ministry of Finance in order to track ongoing and completed donor-sponsored development activities.

The Recipient shall provide at least a quarterly update of information on the activities under the cooperative agreement by entering this information into the USAID/Afghanistan management information system. The Recipient shall enter information via an Internet website or a Microsoft (MS) Access Database; USAID will provide the URL address or Access Database, and a user ID/password. A comprehensive user manual will be provided after that details information on the required information and processes needed for managing the information in USAID/Afghanistan information system.

A.11.4 HOMELAND SECURITY PRESIDENTIAL DIRECTIVE-12 (HSPD-12) (SEPTEMBER 2006)

In response to the general threat of unauthorized access to federal facilities and information systems, the President issued Homeland Security Presidential Directive-12. HSPD-12 requires all Federal agencies to use a common Personal Identity Verification (PIV) standard when identifying and issuing access rights to users of Federally-controlled facilities and/or Federal Information Systems. USAID is applying the requirements of HSPD-12 to applicable assistance awards. USAID will begin issuing HSPD-12 "smart card" IDs to applicable recipients (and recipient employees), using a phased approach. Effective October 27, 2006, USAID will begin issuing new "smart card" IDs to new recipients (and recipient employees) requiring routine access to USAID controlled facilities and/or access to USAID's information systems. USAID will begin issuance of the new smart
card IDs to existing recipients (and existing recipient employees) on October 27, 2007. (Exceptions would include those situations where an existing recipient (or recipient employee) loses or damages his/her existing ID and would need a replacement ID prior to Oct 27, 2007. In those situations, the existing recipient (or recipient employee) would need to follow the PIV processes described below, and be issued one of the new smart cards.)

Accordingly, before a recipient (including a recipient employee) may obtain a USAID ID (new or replacement) authorizing him/her routine access to USAID facilities, or logical access to USAID's information systems, the individual must provide two forms of identity source documents in original form and a passport size photo. One identity source document must be a valid Federal or state government-issued picture ID. (Overseas foreign nationals must comply with the requirements of the Regional Security Office.) USAID/W recipients (and recipient employee) must contact the USAID Security Office to obtain the list of acceptable forms of documentation, and recipients working in overseas Missions must obtain the acceptable documentation list from the Regional Security Officer. Submission of these documents, and related background checks, are mandatory in order for the recipient (or employee) to receive a building access ID, and before access will be granted to any of USAID's information systems. All recipients (or employees) must physically present these two source documents for identity proofing at their USAID/W or Mission Security Briefing. The recipient (or employee) must return any issued building access ID and remote authentication token to USAID custody upon termination of the individual's employment with the recipient or completion of the award, whichever occurs first.

The recipient must comply with all applicable HSPD-12 and PIV procedures, as described above, as well as any subsequent USAID or government-wide HSPD-12 and PIV procedures/policies, including any subsequent applicable USAID General Notices, Office of Security Directives and/or Automated Directives System (ADS) policy directives and required procedures. This includes HSPD-12 procedures established in USAID/Washington and those procedures established by the overseas Regional Security Office. In the event of inconsistencies between this clause and later issued Agency or government-wide HSPD-12 guidance, the most recent issued guidance should take precedence, unless otherwise instructed by the Agreement Officer.

The recipient is required to include this clause in any subawards (including subcontracts) that require the subawardee or subawardee employee to have routine physical access to USAID space or logical access to USAID's information systems.

-End of Schedule-
The following sections of the Recipient’s revised proposal entitled "Commercial Horticulture and Agriculture Marketing Program" and dated December 22, 2009, are attached hereto as the Program Description and are made part of this Agreement (see Annex 1):

1. Roots of Peace Commercial Horticulture and Agriculture Marketing Program
2. Program Summary
3. Impact
   3.1 Impact on Jobs
4. Background
   4.1 Orchards
   4.2 Grape Vineyards
   4.3 Recommended Action
5. Consistency with U.S. Government Strategy
6. Program Scope
   6.1 New Orchards
   6.2 Grape Trellising
   6.3 Target Farmers
   6.4 Short and Long Term Objectives
   6.5 Project Areas
   6.6 Sustainability
7. Approach
   7.1 New Orchards
   7.2 Trellising
   7.3 Irrigation
   7.4 Marketing
   7.5 Gender Programs
   7.6 Afghan First
   7.7 General
8. Monitoring & Evaluation
9. Oversight and Reporting
10. Coordination with Other Organizations
    10.1 Cooperation with NAIL
11. Cooperation with Other Organizations & Governments
    11.1 Provincial Governments and Local Shuras
    11.2 Cooperation with PRTs
12. Security
Annex 1: Favored Varieties
Annex 2: Other Perennial Projects
Annex 7: Program Timeline
ATTACHMENT C STANDARD PROVISIONS

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

1. APPLICABILITY OF 22 CFR PART 226 (May 2005)
   a. All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subrecipient from coverage. The recipient shall assure that subrecipients have copies of all the attached standard provisions.
   b. For any subawards made with Non-US subrecipients the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Grantees." Recipients are required to ensure compliance with monitoring procedures in accordance with OMB Circular A-133.

   [END OF PROVISION]

2. INELIGIBLE COUNTRIES (MAY 1986)
   Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

   [END OF PROVISION]

3. NONDISCRIMINATION (MAY 1986)
   (This provision is applicable when work under the grant is performed in the U.S. or when employees are recruited in the U. S.)
   No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this award on the basis of race, color, national origin, age, handicap, or sex.

   [END OF PROVISION]

4. NONLIABILITY (NOVEMBER 1985)
   USAID does not assume liability for any third party claims for damages arising out of this award.

   [END OF PROVISION]

5. AMENDMENT (NOVEMBER 1985)
   The award may be amended by formal modifications to the basic award document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the recipient.
6. NOTICES (NOVEMBER 1985)
Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:
To the USAID Agreement Officer, at the address specified in the award.
To recipient, at recipient's address shown in the award or to such other address designated within the award.
Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

7. SUBAGREEMENTS (June 1999)
Subrecipients, subawardees, and contractors have no relationship with USAID under the terms of this agreement. All required USAID approvals must be directed through the recipient to USAID.

8. OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT (December 2003)
Information collection requirements imposed by this grant are covered by OMB approval number 0412-0510; the current expiration date is 04/30/2005. The Standard Provisions containing the requirement and an estimate of the public reporting burden (including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) are:

<table>
<thead>
<tr>
<th>Standard Provision</th>
<th>Burden Estimate</th>
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<tbody>
<tr>
<td>Air Travel and Transportation</td>
<td>1 (hour)</td>
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<tr>
<td>Ocean Shipment of Goods</td>
<td>.5</td>
</tr>
<tr>
<td>Patent Rights</td>
<td>.5</td>
</tr>
<tr>
<td>Publications</td>
<td>.5</td>
</tr>
<tr>
<td>Negotiated Indirect Cost Rates - (Predetermined and Provisional)</td>
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</tr>
<tr>
<td>Voluntary Population Planning</td>
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<tr>
<td>Protection of the Individual as a Research Subject</td>
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<thead>
<tr>
<th>22 CFR 226</th>
<th>Burden Estimate</th>
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<td>22 CFR 226.40-.49 Procurement of Goods and Services</td>
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</tr>
<tr>
<td>22 CFR 226.30 -.36 Property Standards</td>
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Comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this
9. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (April 1998)

(This provision is not applicable to goods or services which the recipient provides with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.)

a. Ineligible and Restricted Goods and Services: USAID's policy on ineligible and restricted goods and services is contained in ADS Chapter 312.

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

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

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

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

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

Prior approval will be deemed to have been met when:

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

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

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

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

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

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

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

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
(C) Compelling local political considerations precluded consideration of U.S. sources,

D) The goods or services were not available from U.S. sources, or

(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.

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

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

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

d. If USAID determines that the recipient has procured any of these goods or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

This provision must be included in all subagreements which include procurement of goods or services which total over $5,000.

[END OF PROVISION]
10. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (January 2004)

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

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

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

(3) Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b); and

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

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

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

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

c. The policies and procedures applicable to debarment, suspension, and ineligibility under USAID-financed transactions are set forth in 22 CFR Part 208.
11. DRUG-FREE WORKPLACE (January 2004)

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

(1) Tell the employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in its workplace;

(2) Specify the actions the recipient will take against employees for violating that prohibition; and

(3) Let each employee know that, as a condition of employment under any award, he or she

(i) Must abide by the terms of the statement, and
(ii) Must notify you in writing if he or she is convicted for a violation of a criminal drug statute occurring in the workplace, and must do so no more than five calendar days after the conviction.

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

(i) The dangers of drug abuse in the workplace;

(ii) Your policy of maintaining a drug-free workplace;

(iii) Any available drug counseling, rehabilitation and employee assistance programs; and

(iv) The penalties that you may impose upon them for drug abuse violations occurring in the workplace.

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

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

e. Within 30 calendar days of learning about an employee’s conviction, the recipient must either
(1) Take appropriate personnel action against the employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973 (29 USC 794), as amended, or

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

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

[END OF PROVISION]

12. EQUAL PROTECTION OF THE LAWS FOR FAITH-BASED AND COMMUNITY ORGANIZATIONS (February 2004)

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

b. The Federal Government must implement Federal programs in accordance with the Establishment Clause and the Free Exercise Clause of the First Amendment to the Constitution. Therefore, if the recipient engages in inherently religious activities, such as worship, religious instruction, and proselytization, it must offer those services at a different time or location from any programs or services directly funded by this award, and participation by beneficiaries in any such inherently religious activities must be voluntary.

c. If the recipient makes subawards under this agreement, faith-based organizations should be eligible to participate on the same basis as other organizations, and should not be discriminated against on the basis of their religious character or affiliation.

[END OF PROVISION]

13. IMPLEMENTATION OF E.O. 13224 -- EXECUTIVE ORDER ON TERRORIST FINANCING (March 2002)

The Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all contracts/subawards issued under this agreement.
14. MARKING UNDER USAID-FUNDED ASSISTANCE INSTRUMENTS (December 2005)

(a) Definitions

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

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

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

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

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

Subrecipient means any person or government (including cooperating country government) department, agency, establishment, or for profit or nonprofit organization that receives a USAID subaward, as defined in 22 C.F.R. 226.2.
Technical Assistance means the provision of funds, goods, services, or other foreign assistance, such as loan guarantees or food for work, to developing countries and other USAID recipients, and through such recipients to subrecipients, in direct support of a development objective - as opposed to the internal management of the foreign assistance program.

USAID Identity (Identity) means the official marking for the United States Agency for International Development (USAID), comprised of the USAID logo or seal and new brandmark, with the tagline that clearly communicates that our assistance is "from the American people." The USAID Identity is available on the USAID website at www.usaid.gov/branding and USAID provides it without royalty, license, or other fee to recipients of USAID-funded grants, or cooperative agreements, or other assistance awards.

(b) Marking of Program Deliverables

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

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

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

(4) The Recipient will appropriately mark events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities, with the USAID Identity. Unless directly prohibited and as appropriate to the surroundings, recipients should display additional materials, such as signs and banners, with the USAID Identity. In circumstances in which the USAID Identity cannot be displayed visually, the recipient is encouraged otherwise to acknowledge USAID and the American people's support.
(5) The Recipient will mark all commodities financed by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies, and other materials funded by USAID, and their export packaging with the USAID Identity.

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

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

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

(9) Subrecipients. To ensure that the marking requirements "flow down" to subrecipients of subawards, recipients of USAID funded grants and cooperative agreements or other assistance awards will include the USAID-approved marking provision in any USAID funded subaward, as follows:

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

(10) Any 'public communications', as defined in 22 C.F.R. 226.2, funded by USAID, in which the content has not been approved by USAID, must contain the following disclaimer:

"This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert recipient name] and do not necessarily reflect the views of USAID or the United States Government."

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

(c) Implementation of marking requirements.

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

(2) When the grant or cooperative agreement does not contain an approved Marking Plan, the recipient will propose and submit a plan for implementing the requirements of this provision within 60 days after the effective date of this provision. The plan will include:

(i) A description of the program deliverables specified in paragraph (b) of this provision that the recipient will produce as a part of the grant or cooperative agreement and which will visibly bear the USAID Identity.

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

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

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

(i) USAID marking requirements would compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials;

(ii) USAID marking requirements would diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent;

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

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

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

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

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

(d) Waivers.

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

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

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

(4) Approved waivers “flow down” to recipients of subawards unless specified otherwise. The waiver may also include the removal of USAID markings already affixed, if circumstances warrant.
(5) Determinations regarding waiver requests are subject to appeal to the Principal Officer's cognizant Assistant Administrator. The recipient may appeal by submitting a written request to reconsider the Principal Officer's waiver determination to the cognizant Assistant Administrator.

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

[END OF PROVISION]

15. REGULATIONS GOVERNING EMPLOYEES (AUGUST 1992)
(The following applies to the recipient's employees working in the cooperating country under the agreement who are not citizens of the cooperating country.)

a. The recipient's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.

b. The sale of personal property or automobiles by recipient employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire USAID personnel employed by the Mission, including the rules contained in 22 CFR Part 136, except as this may conflict with host government regulations.

c. Other than work to be performed under this award for which an employee is assigned by the recipient, no employee of the recipient shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.
d. The recipient's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

e. In the event the conduct of any recipient employee is not in accordance with the preceding paragraphs, the recipient's chief of party shall consult with the USAID Mission Director and the employee involved and shall recommend to the recipient a course of action with regard to such employee.

f. The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant award of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.

g. If it is determined, either under (e) or (f) above, that the services of such employee should be terminated, the recipient shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

[END OF PROVISION]

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

(This provision applies when activities are undertaken outside the United States.)

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

[END OF PROVISION]

17. USE OF POUCH FACILITIES (AUGUST 1992)

(This provision applies when activities are undertaken outside the United States.)

a. Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID recipients and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or USAID Mission. In consideration of the use of pouch facilities, the recipient and its employees agree to indemnify and hold harmless,
the Department of State and USAID for loss or damage occurring in pouch transmission:

(1) Recipients and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of .9 kgs per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of .45 kgs per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to a.1. and 2. above sent by pouch should be addressed as follows:

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

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(6) Recipient personnel are NOT authorized use of military postal facilities (APO/FFO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide.

b. The recipient shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

c. Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or USAID Mission.

[END OF PROVISION]

18. INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (JUNE 1999)
(This provision is applicable when costs for international travel or transportation will be paid for with USAID funds. This provision is not applicable if the recipient is providing for travel with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.)
a. PRIOR BUDGET APPROVAL

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

(1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).

(2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the implementation plan (initial or revisions), or amendments to the award; and

(3) the costs related to the travel are incorporated in the approved budget of the award.

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

b. NOTIFICATION

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

   (i) the primary purpose of the trip is to work with USAID Mission personnel, or

   (ii) the recipient expects significant administrative or substantive programmatic support from the Mission.

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

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

   (i) Send a written notice to the cognizant USAID Technical Office in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Technical Officer to forward the notice to the field.

   (ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the
proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.

(iii) The notification shall contain the following information: the award number, the cognizant Technical Officer, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

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

c. SECURITY ISSUES

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

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

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

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

e. THE FLY AMERICA ACT

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

f. COST PRINCIPLES

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

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

g. SUBAWARDS.

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

[END OF PROVISION]

19. OCEAN SHIPMENT OF GOODS (JUNE 1999)

(This provision is applicable for awards and subawards for $100,000 or more and when goods purchased with funds provided under this award are transported to cooperating countries on ocean vessels whether or not award funds are used for the transportation.)

a. At least 50% of the gross tonnage of all goods purchased under this agreement and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.

b. At least 50% of the gross freight revenue generated by shipments of goods purchased under this agreement and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

c. When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the USAID Transportation Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request
which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipment made on non-free world ocean vessels are not reimbursable under this grant.

d. The recipient shall send a copy of each ocean bill of lading, stating all of the carrier's charges including the basis for calculation such as weight or cubic measurement, covering a shipment under this agreement to:

U.S. Department of Transportation,
Maritime Administration, Division of National Cargo,
400 7th Street, S.W.,
Washington, DC 20590, and
U.S. Agency for International Development,
Office of Procurement, Transportation Division
1300 Pennsylvania Avenue, N.W.
Washington, DC 20523-7900

e. Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by USAID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).

f. Shipments financed under this grant must meet applicable eligibility requirements set out in 22 CFR 228.21.

[END OF PROVISION]

20. LOCAL PROCUREMENT (April 1990)
(This provision applies when activities are undertaken outside the United States.)

a. Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers or producers, with payment normally being in the currency of the cooperating country.

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

(1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed $100,000 exclusive of transportation costs.
(2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of $5,000.

(3) Professional Services Contracts estimated not to exceed $250,000.

(4) Construction Services Contracts estimated not to exceed $5,000,000.

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

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

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

(iii) Rental costs for housing and office space;

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

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

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

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

d. This provision will be included in all subagreements where local procurement of goods or services is a supported element.

[END OF PROVISION]

21. VOLUNTARY POPULATION PLANNING ACTIVITIES - MANDATORY REQUIREMENTS (MAY 2006)

Requirements for Voluntary Sterilization Programs

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

Prohibition on Abortion-Related Activities:

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

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

[END OF PROVISION]
II. REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL RECIPIENTS

1. NEGOTIATED INDIRECT COST RATES - PROVISIONAL (Nonprofit) (April 1998)

a. Provisional indirect cost rates shall be established for each of the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the schedule of the award.

b. Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed final indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, along with the proposed final indirect cost rates and supporting cost data, to the Overhead, Special Costs, and Closeout Branch, Office or Procurement, USAID, Washington, DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.

c. Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.

d. The results of each negotiation shall be set forth in a written indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the items treated as direct costs. The agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

e. Pending establishment of final indirect cost rate(s) for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.

f. Failure by the parties to agree on final rates is a 22 CFR 226.90 dispute.

[END OF PROVISION]
2. PUBLICATIONS AND MEDIA RELEASES (MARCH 2006)

a. The recipient shall provide the USAID Cognizant Technical Officer one copy of all published works developed under the award with lists of other written work produced under the award. In addition, the recipient shall submit final documents in electronic format unless no electronic version exists at the following address:

Online (preferred):
http://www.dec.org/submit.cfm

Mailing address:
Document Acquisitions
USAID Development Experience Clearinghouse (DEC)
8403 Colesville Road Suite 210
Silver Spring, MD 20910-6368

Contract Information
Telephone (301) 562-0641
Fax (301) 588-7787
E-mail: docsubmit@dec.cdle.org

Electronic documents must consist of only one electronic file that comprises the complete and final equivalent of a hard copy. They may be submitted online (preferred); on 3.5" diskettes, a Zip disk, CD-R, or by e-mail. Electronic documents should be in PDF (Portable Document Format). Submission in other formats is acceptable but discouraged.

Each document submitted should contain essential bibliographic elements, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) strategic objective; and 6) date of publication.

b. In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

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

[END OF PROVISION]
3. PARTICIPANT TRAINING (April 1998)

a. Definition: A participant is any non-U.S. individual being trained under this award outside of that individual's home country.

b. Application of ADS Chapter 253: Participant training under this award shall comply with the policies established in ADS Chapter 253, Participant Training, except to the extent that specific exceptions to ADS 253 have been provided in this award with the concurrence of the Office of International Training.

c. Orientation: In addition to the mandatory requirements in ADS 253, recipients are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation and orientation in Washington at the Washington International Center. The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the United States through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the Agreement Officer, who will transmit the request to NCIV through EGAT/ED/PT.

[END OF PROVISION]

4. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE) (NOVEMBER 1985)

a. Except as modified by the schedule of this grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the recipient by USAID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating country may designate, unless title to specified types or classes of equipment is reserved to USAID under provisions set forth in the schedule of this award. All such property shall be under the custody and control of recipient until the owner of title directs otherwise or completion of work under this award or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

b. The recipient shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The recipient shall take all reasonable steps to comply with all appropriate directions or instructions which the Agreement
Officer may prescribe as reasonably necessary for the protection of the Government property.

c. The recipient shall prepare and establish a program, to be approved by the appropriate USAID Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The recipient shall be guided by the following requirements:

(1) Property Control: The property control system shall include but not be limited to the following:

(i) Identification of each item of cooperating country property acquired or furnished under the award by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of {insert name of cooperating country}.")

(ii) The price of each item of property acquired or furnished under this award.

(iii) The location of each item of property acquired or furnished under this award.

(iv) A record of any usable components which are permanently removed from items of cooperating country property as a result of modification or otherwise.

(v) A record of disposition of each item acquired or furnished under the award.

(vi) Date of order and receipt of any item acquired or furnished under the award.

(vii) The official property control records shall be kept in such condition that at any stage of completion of the work under this award, the status of property acquired or furnished under this award may be readily ascertained. A report of current status of all items of property acquired or furnished under the award shall be submitted yearly concurrently with the annual report.

(2) Maintenance Program: The recipient's maintenance program shall be consistent with sound business practice, the terms of the award, and provide for:

(i) disclosure of need for and the performance of preventive maintenance,

(ii) disclosure and reporting of need for capital type rehabilitation, and
(iii) recording of work accomplished under the program:

(A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The recipient's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

(C) A report of status of maintenance of cooperating country property shall be submitted annually concurrently with the annual report.

d. Risk of Loss:

(1) The recipient shall not be liable for any loss of or damage to the cooperating country property, or for expenses incidental to such loss or damage except that the recipient shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the recipient's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the recipient's business, or all or substantially all of the recipient's operation at any one plant, laboratory, or separate location in which this award is being performed;

(ii) Which results from a failure on the part of the recipient, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of cooperating country property as required by (i) above, or

(B) to take all reasonable steps to comply with any appropriate written directions of the Agreement Officer under (b) above;

(iii) For which the recipient is otherwise responsible under the express terms designated in the schedule of this award;
(iv) Which results from a risk expressly required to be insured under some other provision of this award, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the recipient's liability under any one exception shall not be limited by any other exception.

(2) The recipient shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the cooperating country property, except to the extent that USAID may have required the recipient to carry such insurance under any other provision of this award.

(3) Upon the happening of loss or destruction of or damage to the cooperating country property, the recipient shall notify the Agreement Officer thereof, shall take all reasonable steps to protect the cooperating country property from further damage, separate the damaged and undamaged cooperating country property, put all the cooperating country property in the best possible order, and furnish to the Agreement Officer a statement of:

(i) The lost, destroyed, or damaged cooperating country property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the cooperating country property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The recipient shall make repairs and renovations of the damaged cooperating country property or take such other action as the Agreement Officer directs.

(5) In the event the recipient is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the cooperating country property, it shall use the proceeds to repair, renovate or replace the cooperating country property involved, or shall credit such proceeds against the cost of the work covered by the award, or shall otherwise reimburse USAID, as directed by the Agreement Officer. The recipient shall do nothing to prejudice USAID's right to recover against third parties for any such loss, destruction,
or damage, and upon the request of the Agreement Officer, shall, at the Governments expense, furnish to USAID all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.

e. Access:

USAID, and any persons designated by it, shall at all reasonable times have access to the premises wherein any cooperating country property is located, for the purpose of inspecting the cooperating country property.

f. Final Accounting and Disposition of Cooperating Country Property:

Within 90 days after completion of this award, or at such other date as may be fixed by the Agreement Officer, the recipient shall submit to the Agreement Officer an inventory schedule covering all items of equipment, materials and supplies under the recipient's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this award. The recipient shall also indicate what disposition has been made of such property.

g. Communications:

All communications issued pursuant to this provision shall be in writing.

[END OF PROVISION]

5. COST SHARING (MATCHING) (July 2002)

a. If at the end of any funding period, the recipient has expended an amount of non-Federal funds less than the agreed upon amount or percentage of total expenditures, the Agreement Officer may apply the difference to reduce the amount of USAID incremental funding in the following funding period. If the award has expired or has been terminated, the Agreement Officer may require the recipient to refund the difference to USAID.

b. The source, origin and nationality requirements and the restricted goods provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" do not apply to cost sharing (matching) expenditures.

[END OF PROVISION]

6. PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (JUNE 1999)

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

b. (1) For any loan over $1000 made under this agreement, the recipient shall insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall or refund by the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

(2) Upon notice by USAID of a determination under section (1) and at USAID's option, the recipient agrees to immediately cancel, accelerate or recall the loan, including refund in full of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.

c. (1) The recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a subrecipient designated by USAID ("Designated Subrecipient") until advised by USAID that: (i) any United States Government review of the Designated Subrecipient and its key individuals has been completed; (ii) any related certifications have been obtained; and (iii) the assistance to the Designated Subrecipient has been approved. Designation means that the subrecipient has been unilaterally selected by USAID as the subrecipient. USAID approval of a subrecipient, selected by another party, or joint selection by USAID and another party is not designation.

(2) The recipient shall insert the following clause, or its substance, in its agreement with the Designated Subrecipient:

"The recipient reserves the right to terminate this [Agreement/Contract] or take other appropriate measures if the [Subrecipient] or a key individual of the [Subrecipient] is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140."

[END OF PROVISION]

7. REPORTING OF FOREIGN TAXES (March 2006)

a. The recipient must annually submit a report by April 16 of the next year.

b. Contents of Report. The report must contain:

(i) Contractor/recipient name.

(ii) Contact name with phone, fax and email.

(iii) Agreement number(s).
(iv) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at $500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year.

(v) Only foreign taxes assessed by the foreign government in the country receiving U.S. assistance is to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance program for Lesotho involves the purchase of commodities in South Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa).

(vi) Any reimbursements received by the Recipient during the period in (iv) regardless of when the foreign tax was assessed and any reimbursements on the taxes reported in (iv) received through March 31.

(vii) Report is required even if the recipient did not pay any taxes during the report period.

(viii) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.

c. Definitions. For purposes of this clause:

(i) "Agreement" includes USAID direct and country contracts, grants, cooperative agreements and interagency agreements.

(ii) "Commodity" means any material, article, supply, goods, or equipment.

(iii) "Foreign government" includes any foreign governmental entity.

(iv) "Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.

d. Where. Submit the reports to: Office of Financial Management

USAID/Afghanistan
Great Masoud Road
Kabul, Afghanistan
Email: Kabulfinancialreport@usaid.gov

e. Subagreements. The recipient must include this reporting requirement in all applicable subcontracts, subgrants and other subagreements.

f. For further information see http://www.state.gov/m/rm/c10443.htm.
8. FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES
(January 2002)

Funds in this agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government’s delegation to an international conference sponsored by a public international organization, except as provided in ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences or as approved by the Agreement Officer.

These provisions also must be included in the Standard Provisions of any new grant or cooperative agreement to a public international organization or a U.S. or non-U.S. non-governmental organization financed with FY04 HIV/AIDS funds or modification to an existing grant or cooperative agreement that adds FY04 HIV/AIDS.

[END OF PROVISION]

9. USAID DISABILITY POLICY - ASSISTANCE (December 2004)

a. The objectives of the USAID Disability Policy are (1) to enhance the attainment of United States foreign assistance program goals by promoting the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2) to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3) to engage other U.S. government agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities; and (4) to support international advocacy for people with disabilities. The full text of the policy paper can be found at the following website: http://pdf.dec.org/pdf_docs/PDABQ631.pdf

b. USAID therefore requires that the recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the program under this grant or cooperative agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.

[END OF PROVISION]
Proposal to United States Agency for International Development,
Afghan Mission
For a Perennial Prosperity Program—
Kabul, Afghanistan
December 22, 2009
Commercial Horticulture and
Agriculture Marketing
Program (CHAMP)
### 3 Impact

<table>
<thead>
<tr>
<th>Year</th>
<th>Trellising Impact</th>
<th>Orchard Impact</th>
<th>Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increased Yield (mt/year)</td>
<td>Annual Income Increase</td>
<td>Annual Income Increase</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016+</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Detailed calculations are in Program Budget, Program Impact tab for all calculations and sources.

#### 3.1 Impact on Jobs

Perennial crops such as grape, fruit and nuts, have high seasonal demand for farm labor and significant demand for labor during installation of trellising and orchards. The installation of vineyard and orchards will require labor that can be directly linked to the project. The following table shows our estimates of the number of labor-days that will be created by the project.

<table>
<thead>
<tr>
<th>Estimated Part-Time Labor-Days to be Created as a Direct Result of the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
</tr>
<tr>
<td>Producing Trellis Posts</td>
</tr>
<tr>
<td>Delivery of Trellis Posts</td>
</tr>
<tr>
<td>Installation of Trellising</td>
</tr>
<tr>
<td>Production of Saplings</td>
</tr>
<tr>
<td>Layout of Orchards</td>
</tr>
<tr>
<td>Installation of Flood Irrigation Systems for Orchards</td>
</tr>
<tr>
<td>Installation of saplings</td>
</tr>
<tr>
<td>Total Part-Time Labor-Days Expt</td>
</tr>
</tbody>
</table>
4 Background

Afghanistan's climate is unique. There are a limited number of regions in the world where you can grow perennial crops with such positive results in yields, flavor and plant health. The region is an epicenter for origin for many fruits and nuts. You can find native stands of pistachio, walnut and pine nuts in the mountains. There are 62 varieties of grapes, 30 varieties of pomegranate and dozens of almond varieties. Afghanistan is not blessed with many riches in resources, but perennial crops and the hard working Afghan farmers are a superior resource that can compete internationally and win. Afghanistan's agriculture is the employment engine of the country. Some 84% of the country's population is either directly involved in or related to farming. There are around 275,000 grape farmers; but it is almonds that are Afghanistan's top horticultural crop, that is, behind poppy. Very similar to the top perennial crop region in the world, California.

4.1 Orchards

Production in the perennial agriculture sector lags far behind its potential in Afghanistan. Most fruit and nut tree farmers are actually "back-yard" farmers with less than 50 trees in their orchard, usually with differing varieties. ROP focuses on larger commercial style orchards with a single horticultural crop per farmer that will return a sizable profit so that the primary focus of the farmer is to grow the best fruit. Farmers begin to specialize and become more proficient. In this way we can increase the production of quality fruit of the proper variety for export markets.

Yields are low for many crops and quality is poor. 27 years of fighting, more than a generation of farmers was lost and the vineyards and orchards show the neglect. The Afghan market is an undifferentiated market (no grading of product quality) which leads to cultural practices that strive to produce quantity over quality. Local traders further feed this approach with limited market vision. This situation represents a huge potential to improve rural farmers economic conditions.

Perennial crops have become the focus for ROP in Afghanistan because it is the strength of this country. Also, it is the best way to increase income for the largest number of people in the country. Average farm size ranges from around 0.4 hectares (ha) in most parts of the country, to 1 hectare in the southern areas. With such a limited amount of land, farmers can choose annual crops, but will have rather limited returns. Annual crops with limited income include cereal crops, vegetables and poppies; whereas perennial crops will return a much higher income. See table below.
Table 1: Net Income of Selected Crops and Growing Techniques in Afghanistan

Source: Comparative Net Income from Afghan Crops, Roots of Peace, 2009

4.2 Grape Vineyards

There have been a very limited number of demonstration trellised vineyards installed in Kandahar, but no large-scale effort to trellis vineyards has been undertaken. This activity will result in immediate and sustainable income gains (see table below). The actual activity in the field is brief. The installation takes a few days. Pruning and training will take another few days. ROP pioneered the conversion of grape to being trained on trellis systems in the Shamali. It has been very well accepted and we have established a system whereby farmer contributes around 50% of the costs. We expect a rapid acceptance of this new technology once the demonstration trellising has been installed for a year.

Table 1: Impact of Trellising on Vineyard Yields

<table>
<thead>
<tr>
<th>Year</th>
<th>Yield Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>63%</td>
</tr>
<tr>
<td>2</td>
<td>110%</td>
</tr>
</tbody>
</table>

Source: ROP Shamali Grape Trellis Yield Report (USAID RAMP), 2006

4.3 Recommended Action

ROP recommends the following actions in a large scale:

1. Plant perennial crops to replace irrigated cereal and poppy crops
2. Plant vegetable inter-cropping to increase income first year and until orchard matures
3. Ensure a limited set of base cultural practices are implemented by existing fruit and nut farmers to insure the orchards are fully established
4. Trellis grape vineyards (concept provided in separate document)

5 Consistency with U.S. Government Strategy
ROP wholeheartedly supports and will continue to implement the U.S. Agriculture Assistance Strategy for Afghanistan to mobilize support for the Afghan government and the Ministry of Agriculture, Irrigation, and Livestock (MAIL) and the private sector to revitalize Afghanistan’s agricultural economy and increase income and jobs. The goal of our project is increased productivity of Afghan farmers, linking them to a revitalized support industry of input suppliers and output marketers. The achievement of this goal will result in the creation of short-term jobs as the farmers and the support industry respond to the short-term stimulus provided the project and the creation of long-term jobs in response to the long-term demand from the established and expanding horticultural enterprises impacted by the project.

Collaboration with GiRoA Ministries
ROP has good working relations with MAIL and the Ministry of Economy, Department of NGOs. The President of the Department of NGOs has visited ROP project implementation sites and given his approval of our work. He has gone beyond his assigned responsibilities to write to the Customs Department to vouch for the good reputation of ROP thereby encouraging the Customs Department to support ROP’s importation of wheat flour under funding from the USDA. MAIL Provincial Directors have certified their approval of our implementation of previous projects in letters to the Department of NGOs. The Director of MAIL in Nangahar has recently written a letter requesting that our work in Eastern Afghanistan (the USAID ADP/E project) be continued. MAIL and ROP have three Memorandums of Understanding governing the implementation of on-going projects. MAIL has given us a Statement of Support authorizing ROP to proceed with this proposal to USAID for the current project. See Letters in ANNEX 6.

Collaboration, Capacity Building and Support Mobilization for MAIL
In past and current projects, ROP has followed a procedure designed to assure that we have MAIL support for our activities and, to the extent possible within our contractual obligations to the project funding agency, that we follow MAIL advice and directions for project implementation. This procedure includes the development of a Memorandum of Understanding guiding the implementation of the project, the development and involvement of a Project Steering Committee. Project implementation in the field is begun through a letter of introduction from MAIL to the Directors of MAIL (DAIL) in the project areas, followed by discussions between the DAIL and ROP on methods and means for cooperation. ROP has generally made arrangements with the DAIL to provide on-the-job training to DAIL extension agents by providing them with per diem support that allows them to serve as full-time members of our extension staff. This activity and our standard procedure of having DAIL officials present our work to the local population (for example, in public meetings relating to the project) supports the USAID strategy of mobilizing Afghan support for the MAIL and the GiRoA.
Support of the Private Sector Strategy

ROP support of the US Strategy to revitalize the private sector is based on our market-oriented approach to agricultural development which relies to the largest extent possible a reliance on the private sector for project implementation. Relying on market signals to guide our interventions and on existing private sector firms for implementation assures the sustainability of project impact because the production and marketing activities are profitable. Our market-oriented approach assures sustainability of the value chains established or strengthened by the project because we demand that the private sector make a substantial investment as a condition for participation. This assures that the private sector participants, from producers to marketers, have analyzed the opportunity we are promoting and feel that it is worth their time and investment of cash and physical resources. For example, rather than creating project-owned and managed nurseries for the production of saplings, we have chosen to purchase saplings from existing nurseries and have provided training to them to assure that they produce the quality saplings needed. We have followed a similar procedure in relation to the production of concrete trellis posts. Our standard procedure for supporting the marketing of the crops produced by participating project farmers is to link the farmers to existing marketing firms, assisting the marketing firms improve their procedures. This reliance on existing marketing firms mobilizes private sector support for the Afghan government.

Support for Other U.S. Government Activities

ROP’s involvement with the MAIL central office in Kabul will allow us opportunities to collaborate with and support the U.S. Government’s capacity building efforts with MAIL. For example, ROP is proposing that the MAIL Monitoring and Evaluation office provide M&E oversight to this project. ROP is also proposing that U.S. Government PRTs become implementation partners by providing funding and implementation support for production and marketing infrastructure when this is appropriate. To promote this collaboration, ROP is proposing that it be welcomed into PRT lodging and office facilities on an occasional basis in the field. This will put our staff in direct contact with the PRT staff and promote discussion and collaboration through personal relations. Since irrigation is crucial to the crops targeted by this project, ROP will make a concerted effort to collaborate with the U.S. Government’s Signature Irrigation Initiative, working to link that initiative to DAILS and farmers in support of this project’s expansion of vineyard and orchard production. ROP will continue to collaborate with other USAID projects, alerting them to possibilities for expanding their projects into zones served by this project and inviting them to implement appropriated components of their projects in support of this project.

ROP is attentive to suggestions from USAID for expanding ROP’s support for the U.S. Agriculture Assistance Strategy for Afghanistan.

6 Program Scope

The program will consist of two major components, (1) establish new orchards in existing annual crop areas with vegetable and fodder inter-cropping and (2) upgrade vineyards in the southern region with trellising.
6.1 New Orchards
This would be the main activity of the program. ROP assist farmers to plant new orchards in existing annual crop lands. The farmers would contribute time and money to the effort. The impact is positive in economic terms and in terms of commitment to the land and the community.

Economically, farmers will witness a 2-4 times earnings jump in four years. Income would be preserved in the interim period by helping the farmers to grow inter-crops (vegetables or fodder crops). By the fourth year, most perennial crops will be at 75-100% production levels. Walnuts will take a few extra years. A complete package would be offered to farmers including the tree saplings, vegetable seed, fertilizer, orchard and irrigation layout and on-going extension services.

Each growing region in Afghanistan has its' unique climate and elevation. For each region, there are multiple options for the farmers in terms of which perennial crops to grow and the specific varieties. The best approach it to educate the farmers on what the market demands and what grows best in the particular climate. Here is a very general overview of the major growing regions in the country. There are many exceptions to this general listing, but are we are looking to plant thousands of new orchards that can produce competitive crops. The majority of the plantings would follow this list.

Table 2: Focal Crops by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Elevation</th>
<th>Province</th>
<th>Key Crops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Region</td>
<td>Lower</td>
<td>Kandahar, Helmand</td>
<td>grapes, pomegranates</td>
</tr>
<tr>
<td>East Region</td>
<td>Lower</td>
<td>Nangarhar, Laghman</td>
<td>almond, citrus, apricot</td>
</tr>
<tr>
<td></td>
<td>Upper</td>
<td>Kunar, Nuristan,</td>
<td>Walnut, apple</td>
</tr>
<tr>
<td>Southeast Region</td>
<td>Ghazni, Logar, Wardak, Paktya, Paktika, Ghost</td>
<td>Apple, apricot, cherry, grape, prune</td>
<td></td>
</tr>
</tbody>
</table>

Southern Areas

The farmers in Helmand Province have long focused on the wrong crops. Only about 5% of the irrigated land is devoted to perennial crops. The land is being wasted on lower market value crops, including poppies. Kandahar, a province with almost identical climatic conditions has heavy grape and pomegranate cultivation. This is a no-brainer. Upgrade poppy fields to grape vineyards and pomegranate orchards. Security is the obvious challenge. Distribution of tree and extension services will be implemented with locally hired staff and will be conducted in an extremely low-profile manner. ROP will not implement a traditional approach with a large, heavily secured compound, armored vehicles and heavy administrative costs. Instead the program in this region will be conducted mostly by a locally-hired, staff. Almost the entire project area is dominated by Pashto-speaking peoples; however, we will work with any farmers and will not discriminate on the basis of ethnicity. An Afghan Regional Manager will manage each of the five targeted project implementation regions. In Kandahar, new
pomegranate orchards are needed to meet growing demand. Water is a challenge, so irrigation projects many need to be linked to this effort in some areas. Security is a definite challenge as the prime production districts are also the most contentious areas. Poppies to pomegranates can be reality here. Close cooperation with US military forces is required. No USAID signs on orchards here. That would immediately put the farmer and the extension team at risk. ROP has already discussed concepts with the Governor of Kandahar, a former employee of ROP, and secured his support for a program focused on new pomegranate orchards.

South Central Areas

ROP is currently implementing an USDA program in Ghazni, Logar and Wardak. This program is implementing essentially the same activities, but with a lower budget and shorter timeframe. The USDA program ends April 30, 2011. ROP proposes to have the USAID program pick-up at the end of the USDA contract with the same activities to expand and complete the USDA-funded effort. To keep the accounting clean, we would not have both programs simultaneously working in these provinces. This synchronization will benefit both programs and most of all the farmers.

Eastern Areas

Jalalabad was once a thriving citrus production area. Years of war, neglect, drought and disease almost eliminated all the citrus. ROP would like to rebuild this citrus industry. ROP initiated this effort with the planting of 60,000 citrus trees earlier this spring. ROP maintains our own citrus nursery in Jalalabad. DAI might consider an orchard planting program, so this effort should be contingent upon or coordinated with DAI’s activities. ROP would like to start on this effort yesterday.

Surrounding provinces have good potential for walnut, almond and apricot. In some areas, like upper Kunar and Nuristan, security is absent and the program would have to work through locals in those areas. Security is tolerable in the remainder of the region.

Paktika and Paktia have some good areas for apple and walnut. These are limited production areas, but would benefit from the program. Since GPFA is already working in Paktia, ROP will subcontract with GPFA for implementation in this region.

Central Area

Bamyan has not received as much attention as others. Plantings of primarily of apples. Security is probably the best in the country.

6.2 Grape Trellising
This component is a farmer-demand-driven trellising program centered in Kandahar and Herat Provinces. Given demand, the program can be expanded to nearby provinces such as Helmand and Zabul. Trellising has been proven to double grape production. Thus, with good linkage to grape marketers, this program promises to double farmer income from grapes and will attract farmers away from other crops, including poppy.
The program is simple in definition and execution. We have been implementing a similar program near Kabul for three years. The project will emphasize dependence on existing Afghan institutions (MAIL and local Shuras) and small-scale Afghan businesses. A secondary result of the project will be the development of an "industry" supplying materials and technical assistance for the continued expansion of the trellising program after the end of this project. The concrete trellis posts will be made in local "factories" and the technical assistance will be delivered by local extension agents, both of which will remain in place after the project. Any grape plants needed, will come from local nurseries. Our policy of demanding a cash contribution from participants selects for participants who are prepared to make their investment a success and is a built-in incentive for project success.

Since the program is demand-driven, it must be programmatically capable of responding to farmer demand. Planning specific targets at this point is difficult. We know from experience that participation in a trellising program will be limited to demonstration plots the first year or two. After the farmers have seen the impact of the system, participation will increase dramatically in line with available project resources. We know also that it is very important that the program continue two years after the final trellising system has been installed to provide the crucial technical assistance required to teach the farmers to train the vines onto the trellising system in a manner that maximizes its potential to produce high-quality grapes. Thus, this proposal is based on estimates of the funding required for a substantial program. Once the project gets underway, the decision on the final level of funding can be made in line with farmer demand.

Kandahar is the largest production area for grapes, just a bit larger than the Shamali Plains, near Kabul. The primary grapes grown in Kandahar are Shondukhanai, a very marketable grape that fares well in local, Pakistani and Indian markets in fresh table-grape form. It can be transformed into a remarkable green raisin that traditionally fetches one of the highest prices paid for raisins in Afghanistan, India and in other regional markets. ROP and others have done several successful export projects shipping these grapes, in fresh form, to India. Other international programs have supported the production and marketing of the green raisins made from these grapes. Production lags and yields can be increased through trellising. ROP and others have successfully begun the transition to trellised vineyards in the Shamali. Kandahar has not started this transition. In addition to the yield increases, the quality of the fruit also increases as the fruit is no longer just above the dirt, but it is 3 feet above the ground. In their natural state, grape vines climb trees and bushes. Trellises are an artificial tree for the vines.

Like Kandahar, Herat and some areas between these two cities have traditionally grown grapes on earthen walls or berms. These take up valuable space in the vineyard and cannot adequately substitute for modern trellising. The grape varieties grown in Herat and elsewhere are somewhat different than those grown in Kandahar and the traditional markets are different. However, we expect there will be adequate demand for installing trellising in Herat to justify a program office there. Expanding the project to the other areas will follow demand.

6.3 Target Farmers
The distinction between commercial and subsistence farmers is not based on size but intention. ROP defines commercial farmers as those who produce a crop primarily for sale rather than for self-
consumption. Grape producers generally fall in to this definition. In the case of orchards, this will be demonstrated by the farmer's dedication of farm land to a single crop rather than a mixture of several crops. For example, farmers who are primarily interested in auto-consumption often have a mixture of fruit trees spread across their land. A farmer who is interested in selling the crop will plant a single crop to facilitate marketing and to facilitate the acquisition of the specialized skills required to do well with fruit or nut crops. To promote professionalism among participating farmers and to enhance the efficiency of delivery of benefits, ROP has set a minimum size of 2 jeribs for participation in our orchard program. In the case of trellising, ROP has not set a minimum on the number of trellis posts per participant because of the desire to allow grape producers to observe the impact of trellising. Typically, the first adopters of trellising will allow only a small number of vines to be converted to the trellis system. Once the impact has been seen, secondary adopters opt to convert much larger portions of their vineyards to the promoted trellising system. Hence, ROP does not set a minimum for trellising participation. Farmers must have a reliable source of irrigation or the potential for irrigation if this program can help to establish the source for them. We expect the overwhelming majority of farmers to be small holder farmers with less than 1 hectare of land.

6.4 Short and Long Term Objectives

<table>
<thead>
<tr>
<th>Planning Period</th>
<th>Objective</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term Trellising</td>
<td>Establish 100 demonstration vineyards with trellising in first year of project.</td>
<td>List of demonstration vineyards with trellising.</td>
</tr>
<tr>
<td>Short-term</td>
<td>Establish Badam Bagh as focal training center.</td>
<td>Vineyards set-up for demonstration, classroom organized, training sessions conducted.</td>
</tr>
<tr>
<td>Short-term Trellising</td>
<td>Afghan farmers are convinced that trellising grapes is a major improvement for which they are prepared to make investments.</td>
<td>Requests for trellising from farmers.</td>
</tr>
<tr>
<td>Long-term Trellising</td>
<td>Double income of 6,650 grape farmers. Note: Vineyards where trellising is installed in the last year of project will reach double yields one year after project ends.</td>
<td>Yield comparison study of participating farmer's vineyards versus baseline survey. List of participating farmers with trellising and other cultural methods improved.</td>
</tr>
<tr>
<td>Short-term Orchard</td>
<td>Establish 30 demo orchards with intercropping in first year of project.</td>
<td>List of demonstration orchards.</td>
</tr>
<tr>
<td>Short-term Orchard</td>
<td>Afghan farmers convinced perennial crops are a major improvement for which they are prepared to make</td>
<td>Requests for orchard installation from farmers</td>
</tr>
<tr>
<td>Long-term Orchard</td>
<td>Double income (or more) for 20,000 farm families with the establishment of new orchards.</td>
<td>List of participating farmers who installed new orchards. Income estimates based upon crop comparison and crop prices study.</td>
</tr>
<tr>
<td>Long-term</td>
<td>Farm level fruit drying</td>
<td>Fruit drying techniques practices by</td>
</tr>
</tbody>
</table>
### Planning Period | Objective | Sources of Verification
---|---|---
Orchard | Established a system of private sector organizations that can continue the expansion of these trees and trellising programs. | Private sector firms that are capable of manufacturing trellis posts. Private sector nurseries capable of delivering quality tree saplings. Private sector agribusiness distributor capable of delivering needed farm supplies. Private sector women-run apiculture businesses active and supplying bees for orchards and producing honey for markets. Private sector industry organizations promoting their respective industries

### Long-term Support | MAIL and DAIL capable of delivering quality extension services to perennial crop farmers. | MAIL and DAIL actively supporting participant farmers. Training programs successfully completed. Extension collateral materials completed.

#### 6.5 Project Areas
ROP proposes to work in the following provinces and districts of the south, southeast and east of Afghanistan. ROP will work with MAIL, DAIL and PRTs to finalize the project areas before commencing the project.

<table>
<thead>
<tr>
<th>Region</th>
<th>Province</th>
<th>Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>Nangarhar</td>
<td>Behtoot, Batikot, Shinwar, Muhmand Dara, Kama</td>
</tr>
<tr>
<td></td>
<td>Kuz Kunar</td>
<td>Surhk Rod, Khogyani, Sherzad</td>
</tr>
<tr>
<td></td>
<td>Kunar</td>
<td>Khas Kunar, Asadabad, Narang, Nurgal, Sarkhani</td>
</tr>
<tr>
<td></td>
<td>Laghman</td>
<td>Mihtarlam, Qarghayi, Alishing</td>
</tr>
<tr>
<td>Southeast</td>
<td>Paktika</td>
<td>Sharan, Mata Khan, Sar Hawza, Spera, Ziruk, Urgun</td>
</tr>
<tr>
<td></td>
<td>Paktya</td>
<td>Zurmat, Gardez, Sayed Karam, Jadrans, Lija, Mangal, Chamkani</td>
</tr>
<tr>
<td></td>
<td>Ghazni</td>
<td>Khowaja Mory, Jaghory, Malistan, Sharistan, Nawer, Gillan and Muqur</td>
</tr>
<tr>
<td></td>
<td>Logar</td>
<td>Mohd Agha, Poli Alam, Khoshy, Barky Barak, Charkh</td>
</tr>
<tr>
<td></td>
<td>Warduk</td>
<td>Jalwet, Sald Abad, Jhahto, Chack, Narkh</td>
</tr>
<tr>
<td>Central</td>
<td>Bamyan</td>
<td>Waras, Panjab, Behsud, Seigan, Kamard, Yakawalan g</td>
</tr>
</tbody>
</table>
6.6 Sustainability

For this project, sustainability means that the production systems installed by the project continue to be used by farmers. This is primarily related to the adoption of the systems by the private sector farmers; however, the institutionalization of the knowledge base for the production systems will also play a role in sustainability.

Sustainability of the private sector farms enhanced by this project is built-in. If the farmers’ adopt the technology of improved grape production and new orchards, they will continue to use the technology as long as it is profitable for them. Assuring that the technology is profitable requires a production component and a marketing component. We have stated elsewhere that it is imperative that the project remains in the field long enough to complete the crucial transition from newly installed trellising or newly planted trees to the state where vines are properly trained onto the trellis system and trees have received their initial training/pruning to give them the desired shape that will maximize production. For grapes, this crucial training occurs between year 1 and 2 after installation of the trellising. For fruit and nut trees, this crucial training occurs between year 1 and year 3 after planting. Marketing will be primarily a matter of linking farmers to merchants; however, we propose assisting farmers and merchants with appropriate post-harvest procedures and infrastructure. We have not budgeted a large amount of money for post-harvest procedures (processing and marketing) because we feel we can attract funding for these items from the PRTs and other USAID programs.

Sustainability of the knowledge base for the productive systems installed will be assured by the transfer of the knowledge base to the MAIL, to private sector support businesses (such as nurseries, trellis post manufacturers and agricultural input suppliers), and to industry level organizations such as the Afghanistan Almond Industry Development Organization, the Afghan National Nursery Growers Organization and the Afghanistan National Horticulture Development Organization. This transfer of knowledge will be accomplished by strengthening the close working relations ROP has with these organizations via collaboration on development projects, jointly organized seminars, and direct transfer of educational materials. ROP will continuously train the ROP and MAIL extension team.

7 Approach

The basic approach ROP has been tested and refined on four previous projects. One key variant is that in insecure areas, ROP would utilize more local Afghan businesses and NGOs to implement most of the steps than we have in the past. ROP will install a continuously-operational monitoring system to to
ensure quality control. The ROP M&E system will use a qualified Afghan horticulturalist to make inspection tours of project areas, using written survey instruments to check on extension agents' implementation of specific tasks or deliverables required for achievement of project objectives. In extremely insecure areas, ROP will train local villagers in secure areas near Kabul, and then equip them with the tools, trees and instruction manuals to establish orchards in their villages. These “extension helpers” would remain on ROP payroll during the first year of establishing the orchards. ROP would adapt our orchard establishment manuals for semi-literate rural farmers.

7.1 New Orchards

1. Educate farmers on opportunity
   ROP extension team will introduce perennial crop options to farmers via village level meetings organized through the MAIL, village elders, Shuras or existing farmer organizations. Education will include trips to other production regions within Afghanistan where ROP already has established new orchards.

2. Educate farmers on crop, variety and inter-crop decisions
   ROP will educate farmers on the varieties and clones for the best crops that grow in their region. Education to include growing considerations, climate issues, market demand, crop yields and crop prices. The farmer will make their own choices on the orchard and the inter-crop. Extension and farmer training will take place in the districts and at a central training location—Badam Bagh.

3. Gain commitment by farmers to new orchard and their investment of time and money into the effort. Farmer contribution level would be 25% of the cost of the new trees.
   Farmers who agree to participate in program will receive two vouchers. Once for the orchard package (tree saplings, fertilizer, technical support) and one for the inter-cropping package (seed, fertilizer and technical assistance). This program of subsidized assistance has been authorized by the Minister of MAIL and is being implemented in the World Bank Horticulture and Livestock project in northern areas of Afghanistan. We are using this package approach to support placing a value on the technical support. The farmers work with the ROP extension team to layout his future orchard. When the trees are available (Jan-Feb), the farmer will pick up his new orchard package at the distribution point, turn-over his first voucher and make his contribution payment. ROP will not receive any reflow funds. The Ag distributor will receive his money and the voucher. The Ag distributor will then get reimbursement for the voucher for the remainder of the cost of the orchard package, plus an agreed to profit margin. The process will work in the same manner for the second delivery for the inter-crop package (Feb). All beneficiaries will sign a “no poppy agreement” and only those complying with the agreement will receive further support.

4. Coordinate with the already established network of nurseries ROP has created to grow needed trees.
   ROP will coordinate with a network of private nurseries to procure trees on an annual basis for four planting seasons. Many of these nurseries have worked with ROP in the past and have received training from our previous projects. Nurserymen will then have trees available when the program ramps up in the second planting season.
5. Layout new orchards, plant trees, establish new irrigation scheme, plant inter-crop (poor management of irrigation is a major cause of low productivity in orchards and nurseries). ROP Extension team will receive direct training from the lead expatriate specialist and in-field training. The extension team will then conduct farmer days to introduce proper irrigation schemes to support the new orchards and the inter-crops. Proper inter-crop planting techniques will also be taught.

6. Assist in early pruning for proper tree structure and irrigation. This is a crucial activity one and two years after the new orchard is planted. The structure of the tree (allowing for maximum production) will be established during this pruning. Again the ROP extension team will receive training, then will conduct farmer days.

7. Assist Farmers in marketing their inter-crops. ROP will assist farmers who plant trees to produce and sell annual crops as intercrops while the trees are maturing. ROP will conduct meetings with merchants on a regular basis and explore new potential markets for the production. ROP will assist merchants who want to purchase these annual crops to contact the producing farmers and make agreements for producing and marketing these crops. ROP will handle this by linking farmers to Afghan traders as we did in the ADP/E project in eastern Afghanistan. See discussion further below. Continue to provide subsidized seed and fertilizer until orchard canopy forms and new income source begins. This is only for the first and second year after the orchard is planted.

8. Train farmers on proper orchard care. On-going extension work will focus on a limited set of cultural practices which have the most impact. ROP extension agents will maintain a journal for every farmer with objectives noted for each and documented interventions. ROP management will monitor and evaluate extension team performance and take any necessary corrective action.

9. Connect new fruit and nut producers to market. New fruit and nut producers will need to be connected to the market. ROP will act as a catalyst to perform this market linkage and will also conduct post-harvest training with the farmers and traders to ensure quality exports. ROP staff proposed for this project have experience assisting Afghan merchants improve the export marketing of grapes, fresh and dried fruit and nuts and will be able to draw on these collaborative connections with merchants to link project farmers to active merchants. ROP plans to alert merchants to the expected increases in horticultural crops as soon as possible after project start-up. ROP will discuss with the merchants the need for additional processing and marketing infrastructure and make an effort to have these facilities installed via PRTs or other US programs. Leverage farmer associations for trader interface and negotiations.

ROP has successfully used farmer organizations to connect groups of farmers to traders to consolidate their crops, negotiate sales and facilitate the harvest. ROP will continue this practice and introduce new traders to the farmers.

10. Connect traders to new or expanded export markets. ROP will conduct pilot exports with the traders to ensure markets for the growing production. Currently Afghan produce is priced very high. Increased production will ultimately lead to lower
prices, which will in turn spur increased exports. The export corridors need to be established prior to price dropping significantly. The market for the targeted Afghan products is primarily Pakistan, India and Dubai. India is the prime market for top quality fruit and nuts, Pakistan will consume both first quality and secondary grades. Dubai is a hub for Middle East fruits and nuts, but quality must be high. The major constraint to export of fresh grapes and other fresh fruit and vegetables with limited shelf life is the current lack of trade policies and regulations that encourage Afghan exports to India and to the sea ports in Pakistan. ROP is working with the US Tripartite Commission on Afghan trade to establish the infrastructure, policies and regulations that would allow Afghan or Pakistani trucks to unload chilled fruit into Indian trucks at the Indian-Pakistani border without breaking the cold chain.

7.2 Trellising

1. ROP to engage a local team to support project implementation
   ROP to hire trellis installation crews from locals.

2. ROP train local team on trellis installation
   These crews will be trained and then scheduled for installations consistent with trellis deliveries.
   The team will work with farmers to install the trellises and provide special tools (hand augers, Gripple connectors). These teams will be monitored and graded for every installation and a bonus system will be implemented to promote high quality installations. As the program continues, this service will be transferred to the trellis manufacturers. ROP will subsidize their cost through the trellis price. ROP will continue to monitor quality of installation.

3. Extension team will recruit farmers who want to trellis their vineyard.
   Farmers will be shown demonstration vineyards near harvest time so they can see the impact of trellising. This method worked effectively in the Shamali.

4. Gain commitment by farmers to trellis their vineyard and their investment of time and money into the effort. The farmer will contribute half the cost of the trellis post and the labor required to install.
   Participating farmers will be documented and given a non-transferable voucher. Farmers will be required to contribute money and labor in order to trellis his vineyard.

5. ROP to enlist agriculture input suppliers (Ag Depots) to distribute some of the trellising materials through a voucher system that would contain the targeted level of subsidy.
   When the trellises are ready for delivery, the farmer will pay his contribution (50% of the trellis cost) directly to the trellis manufacturer. When the trellises are delivery and installed, the farmer will give the trellis manufacturer his signed voucher. The trellis manufacturer will then redeem this voucher for the payment of the remainder of the trellis cost, plus an agreed to margin. When the trellis installation team is run by the trellis manufacturer, then ROP will pay an additional amount, $50, for the installation support to the farmer. Depending upon the adoption rate, ROP may increase the farmer contribution rate to 75% of the trellis cost during the last year.

6. ROP to arrange manufacture of the trellis posts and delivery to the farmers.
   ROP will arrange to have multiple new or existing companies manufacture trellises ahead of the installation time. This will typically be done in autumn.
7. Install trellises. Work will primarily be done between October and February. Best time is January and February. Trellis manufacture to deliver posts to farm. Trellis teams to bring other parts (wire, connectors, tools, tutor poles). Trellis team to teach farmer on installation method. Farmer and team to install trellis system.

7.3 Irrigation
ROP proposes to address three irrigation issues:

(1) The proper management of traditional flood irrigation on orchards. UC Davis almond production expert John Driver (funded via the PHD) identified farm level irrigation as a major cause of low productivity on almond orchards. Unless the on-farm irrigation system is designed to separately irrigate the trees and the intercrop, the trees receive improper amounts of irrigation water as the farmer irrigates the intercrop. Trees are either drowned or deprived of water at crucial growth periods. This problem can easily be fixed by having the farmer properly form the earthen ridges of the farm’s traditional, flood irrigation system to separate water going to the trees from that going to the intercrop. In case of abundant water availability surface irrigation can be used promoting a more water efficient irrigation layout (Basin, border, cascade, furrow, snake irrigation, etc.) based on a series of field measurement (infiltration rate, advance and recession time, discharge rate, etc) by trained extension officer. ROP has recently developed a manual for on-farm irrigation and water management in Afghanistan, which will be translated and used for training.

(2) Drip irrigation is inherently more water efficient than flood systems. It is also most appropriate for areas not served by surface water canals. However, it requires a capital investment in the wells, pumps and distribution systems that is beyond the investment capacity of many Afghan farmers. ROP proposes to demonstrate drip irrigation in several areas and stimulate the use of drip irrigation by sharing the cost of installation with farmers and development programs where possible.

(3) Tertiary canals connect existing canal-fed irrigation systems to on-farm irrigation systems. ROP is proposing to set aside a fund to use in repairing tertiary canals jointly identified by ROP and the MAIL. ROP will also evaluate the use of small water catchment areas, water traps, small scale water reserves and bore holes. For some of these projects ROP will attempt to coordinate possible projects with the PRTs for canals, bore holes, etc.

7.4 Marketing
Due to the delay between planting and maturity for perennial-crops, the production resulting from this project will not be ready for marketing until the last years of the project. Thus, marketing the perennial-crop production from this project is a long-term objective. Marketing the short-term intercrop production from newly established orchards is a short-term task that ROP will handle by linking farmers to Afghan traders as we did in the ADP/E project in eastern Afghanistan. One approach used was to assist merchants to contact the producing farmers and make agreements for producing and marketing the crops. In some cases, this involved a contract-farming agreement between the producer and the merchant. ROP will conduct meetings with merchants on regular bases and explore new potential markets for the production.
New fruit and nut producers will need to be connected to the market. ROP will act as a catalyst to perform this market linkage and will also conduct post-harvest training with the farmers and traders and will conduct pilot exports with the traders to help establish markets for the growing production. ROP staff proposed for this project have experience assisting Afghan merchants improve the export marketing of grapes, fresh and dried fruit and nuts and will be able to draw on these collaborative connections with merchants to link project farmers to active merchants. ROP plans to alert merchants to the expected increases in horticultural crops as soon as possible after project start-up. ROP will discuss with the merchants the need for additional processing and marketing infrastructure and make an effort to have these facilities installed via PRTs or other US programs.

Currently Afghan produce is priced very high in relation to international markets. Increased production will ultimately lead to lower prices, which will in turn spur increased exports. The export corridors need to be established prior to price dropping significantly. The target market for Afghan products is Pakistan, India and Dubai. India is the prime market for top quality fruit and nuts, Pakistan will consume both first quality and secondary grades. Dubai is a hub for Middle East fruits and nuts, but quality must be high. The major constraint to export of fresh grapes and other fresh fruit and vegetables with limited shelf life is the current lack of trade policies and regulations that encourage Afghan exports to India and to the sea ports in Pakistan. ROP is working with the US Tripartite Commission on Afghan trade to establish the infrastructure, policies and regulations that would allow Afghan or Pakistani trucks to unload chilled fruit into Indian trucks at the Indian-Pakistani border without breaking the cold chain.

7.5 Gender Programs

**Female Extension Agents and Women Farmers**

ROP will have three gender activities:

ROP will employ female extension agents to support women farmers. ROP will seek approval from the local Shuras to implement this role for women working for ROP. ROP will engage a gender specialist with experience in Southern Afghanistan to advise on the development of a program aimed at female farmers. MAIL has suggested that widowed women should be offered additional subsidies to participate in the grape trellising and orchard planting program. We would plan on offering reduced farmer contribution to widowed women farmers.

**Apiculture**

ROP proposes to implement a beekeeping program for women associated with the male participants of the trellising and orchard planting programs. Bees are very beneficial to tree crops. We will set-up women to rent their hives to orchard owners and produce honey for sale.

**Dried Fruit**

ROP will promote village based drying techniques for women’s groups. This activity will focus primarily on apricots, but will also be used for apples. Village level drying equipment and techniques will be provided for the women to share and coordinate the use among their groups.
7.6 Afghan First

ROP will be employing a mostly Afghan staff, including many in management positions. Almost all products will be purchased locally. In some cases ROP will promote the creation of new businesses to service the needs of the project. Here is a summary list, followed by a detailed explanation of each grouping. An estimated 72% of the total budget would be purchased from Afghan private sector. Total Afghan salaries, fringe and allowances are twice that of their counterpart expatriate staff.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROP Afghan Staff</td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>11</td>
</tr>
<tr>
<td>Professional Staff</td>
<td>81</td>
</tr>
<tr>
<td>Support Staff</td>
<td>48</td>
</tr>
<tr>
<td>Purchases from Afghan Nurseries</td>
<td>3,468,466</td>
</tr>
<tr>
<td>Travel within Afghanistan</td>
<td>Air travel &amp; per diems</td>
</tr>
<tr>
<td>Purchases through Afghan Ag Distributors</td>
<td>Ag supplies, trellis components, fencing, tools, fertilizer</td>
</tr>
<tr>
<td>Purchases through 3-5 new manufacturing</td>
<td>1,171,130 Trellis posts and anchors</td>
</tr>
<tr>
<td>companies established by program</td>
<td></td>
</tr>
<tr>
<td>Awards to Afghan construction companies</td>
<td>Irrigation projects</td>
</tr>
<tr>
<td>Business Services</td>
<td>Service contracts</td>
</tr>
<tr>
<td>Ag Services</td>
<td>Service contracts</td>
</tr>
<tr>
<td>Operational Expenses</td>
<td>Internet service, office space, mobile phones, fuel, translation services, bank charges, utilities</td>
</tr>
<tr>
<td>Equipment &amp; vehicles purchased through local distributors</td>
<td>Electronic equipment, office systems, communications equipment, vehicles</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

New Afghan Businesses Established

ROP will utilize, or help to establish new Afghan owned and operated companies to provide the materials needed for the project. ROP will also utilize labor from “cash for work” programs for orchard layout and trellis installation.

- Cement fabrication companies (3-5)
- Farm Service companies (10)
- Tree and grape nurseries (100)
- Delivery services
- Work for cash (200 workers for 90 days per year)
7.7 General

1. Offices
ROP will use our current office in Kabul as the main program office and establish provincial offices for the extension teams. Each office will have a manager and a finance clerk, plus the extension team for that province. Every office will be equipped with Internet and power.

2. Transportation
Every Extension Agent will receive a motorcycle to conduct their work. Each office will also have a Toyota Corolla. We will use rented Toyota Corollas in the most insecure locations. ROP already has three Toyota Hilux from past USAID projects that will be floater vehicles when needed. One SUV will be located in Kabul.

3. Payroll & Payment Processing
All pay will be done by direct deposit into Kabul Bank accounts. Local provincial offices will only have petty cash funds. All procurement will be handled by ROP Kabul office.

4. Reporting
All provincial offices will report monthly to ROP Kabul, who will in turn provide a single monthly report to USAID.

8 Monitoring & Evaluation
M&E will be handled by ROP in close cooperation with the MAIL M&E Department. This approach will provide an independent review of project progress, promote “Afghanization” of USAID funded programs and support capacity building within the MAIL. We have discussed this approach with Mr. Bakhtani, Director, MAIL M&E Department and have received his full support for this approach. The MAIL's new M&E system incorporates a project life cycle approach that emphasizes monthly monitoring of implementation for management purposes. In addition to the traditional baseline studies at project initiation and completion, the new system also uses monthly M&E surveys to detect implementation problems so that they can be corrected as soon as possible. The MAIL M&E system uses existing MAIL field staff, training them and following up on their work. The MAIL field staff will require transportation and per diem expenses from the project. They will also require access to communication equipment at ROP offices to transmit their monthly reports. MAIL M&E officials from the Department’s main office in Kabul will make occasional trips into the field to review reports and provide follow-up training to the field staff.

In addition to the MAIL M&E system, ROP will establish an internal system for monitoring progress and for assuring the quality of our project activities. Provincial Managers will coordinate the activities based on the monthly work plan, monitoring the performance of the Extension Officers and subcontracted partners, suppliers etc. The Program Director and his Deputy will conduct visits to the program areas on regular bases to overview the implementation activities.

All ROP offices and subcontractors will file regular reports of project activities to ROP Kabul. Oversight of project activities will be carried out by an Afghan Extension Service Quality Control Officer (QCO) employed by ROP. This person will make routine inspection trips to the field to inspect the work of ROP’s subcontractors and direct-hire personnel. The QCO will complete structured inspections, using inspection forms developed by ROP for each phase of project implementation and based on specific tasks and objectives assigned to direct-hire and subcontracted staff or private sector businesses.
readings will be reported on all project work sites and the sites will be photographed regularly with the date imprinted on the photos. ROP will use the reports and photographs in filing monthly and biannual reports of project activity to USAID.

9 Oversight and Reporting
See the response relative to M&E under Item 5 above. The MAIL M&E Department will make monthly reports of their M&E activities relating to the project. The MAIL M&E Department will conduct baseline studies at project initiation and completion and will file reports of these studies. ROP personnel will be involved in the baseline studies and will assure that the reports are filed in a timely manner. ROP will assist the MAIL M&E Department conduct their monthly studies and baseline studies in a solely supportive manner that assures the independence of the MAIL M&E system. All ROP offices and subcontractors will file regular reports of project activities to ROP Kabul. Oversight of project activities will be carried out by an Afghan Extension Service Quality Control Officer (QCO) employed by ROP. This person will make routine inspection trips to the field to inspect the work of ROP’s subcontractors and direct-hire personnel. The QCO will complete structured inspections, using inspection forms developed by ROP for each phase of project implementation. GPS readings will be reported on all project work sites and the sites will be photographed regularly with the date imprinted on the photos. ROP will use the reports and photographs in filing monthly and biannual reports of project activity to USAID.

10 Coordination with Other Organizations
ROP is well-positioned to coordinate activities with other development activities. ROP is implementing horticulture development projects for the USDA, the US Department of Defense, the European Commission, the World Bank and the Asian Development Bank. We will use our involvement with these other programs to ensure that collaboration is maximized. See the comments relating to support and/or collaboration with U.S. Government programs in Section 5 of this proposal.

For example, we are proposing to use the same system for promoting implementation of this project that we are using with the World Bank Horticulture & Livestock Project (HLP). Specifically, we will use the same package of subsidized inputs, recently approved by the MAIL, for this USAID-funded project. The package approved by the Minister for orchards, for example, includes the saplings, fertilizer and seeds for the intercrop, and technical assistance. See the brochure, approved by the Minister and published by the HLP describing the packages of benefits for trees and trellises is shown in ANNEX 6.

We are proposing to stimulate the involvement of programs being implemented by other international donors to the greatest extent possible. For example, the French have a long-established project to promote beekeeping in Afghanistan. We propose to draw this program into the implementation of this project, especially for the involvement of women. We are also using our influence with the Afghanistan Almond Industry Development Organization (AAIDO) to promote the use of bees for pollinating almond trees. A recent study by ROP showed that pollination and yield can be doubled when bees are present in Afghan almond orchards.
Another example is ROP's involvement with the GTZ program to promote the almond industry in Uruzgan. ROP personnel working with the AAIDO have recently been asked to assist GTZ graft higher-value almonds onto existing low-value almond saplings. This program is in its beginning stages. We have discussed with GTZ the possibility of supporting their work with additional funding and technical assistance from ROP-funded programs.

10.1 Cooperation with MAIL

ROP has discussed this project with Technical Deputy Minister Jawad of MAIL. Deputy Minister Jawad provided MAIL's "buy-in" of the concept of this project and assured us of MAIL's collaboration and support of our implementation of the project should we receive funding from USAID. See the Deputy Minister's hand-written statement of support which he placed on the letter from ROP requesting this support. The letter is in shown in ANNEX 6. ROP has also received direct invitations to implement this project from Giroa officials where ROP has previously implemented similar projects. We have a letter from the Director of Agriculture of Nangahar Province and a letter from the Governor of Kandahar Province. It is important to note that MAIL has recently given approval to a similar trees and trellises program being implemented by ROP under funding from the World Bank Horticulture & Livestock Project. That project uses a structured set of subsidies, similar to those proposed here, to stimulate the installation of grape trellising and orchards in eleven Northern provinces. As discussed above under our discussion of M&E, the Director of the MAIL M&E has volunteered his Department's provision of M&E services in collaboration with ROP for this project. Once we have approval from USAID to implement this project we will begin implementation of MAIL's standard procedure for collaborating with the MAIL. This procedure is described above in Section 5.

ROP plans to integrate the MAIL extension service into our project implementation using an approach we have used in previous projects. Although MAIL has extension agents throughout the region, most of these agents do not have sufficient technical capacity, basic horticultural knowledge/experience nor the specific knowledge and skills required to support the targeted horticultural crops. From our experience in previous trellises and trees projects, ROP has established training programs, materials and processes that will be used to up-grade the MAIL extension agents to handle effectively the extension tasks required for successful implementation of this project.

ROP has worked out effective approaches to integrating MAIL extension team into our activities in the field. ROP trains the MAIL extension staff, coordinates their activities and manages their work. We get a very low cost worker to assist in the program ($5 per day meal per diem) and MAIL gets trained extension team that are active in their assigned territory helping the local farmers after we have completed our work during the crucial early years. On horticultural matters, ROP works with the MAIL President of Horticulture and her staff regarding crop and variety selection and coordinates regular M&E visits for her team.
11 Cooperation with Other Organizations & Governments

11.1 Provincial Governments and Local Shuras
ROP will contact farmers first through the Provincial governor's offices, the local MAIL officials and the local Community Development Councils (Shuras). This is the standard approach for all ROP field projects.

11.2 Cooperation with PRTs
As mentioned above in Section 5, ROP is proposing that U.S. Government PRTs become implementation partners by providing funding and implementation support for production and marketing infrastructure when this is appropriate. To promote this collaboration, ROP is proposing that it be welcomed into PRT lodging and office facilities on an occasional basis in the field. This will put our staff in direct contact with the PRT staff and promote discussion and collaboration through personal relations. This will also allow for coordination of security. We would like to use PRT security during field visits by our expatriate staff. Subcontractors and Consultants

GPFA
ROP will establish a subcontract with GPFA to implement new orchards in Paktika, Paktya and Khost under the direction of ROP. GPFA has subcontracted to ROP in the past with good success and our two teams cooperate to support each others' efforts.

POM354
ROP will consider using James Brett for community mobilization to support pomegranate planting programs in Kandahar.

12 Security
In many locations this program will have to be done through others. ROP expats simply cannot go to many places in this country, so we must rely heavily upon our Afghan team and local NGOs for implementation. ROP can implement this program through others and oversee the quality and effectiveness. ROP will also favor villages that have stronger leadership and stable communities. Good behavior should be rewarded and unstable villages need to understand this element in our approach. In areas of extreme insecurity, ROP would implement an approach whereby we train representatives of the village to be our “extension helpers”. Once trained, we provide the proper materials at the correct times for them to implement. Quality is managed remotely with digital cameras. In certain areas, we must mask the fact that we are an international NGO, otherwise our team or the farmers we work with are at risk and will receive night letters from the Taliban.

ROP understands the challenges of this region and has adapted low-profile and “small footprint” approaches which reduce our exposure. We have also learned that security is variable in the Southern Region. One district could be deemed insecure and we are not able to operate, while others are OK. We have learned to shift emphasis to work where possible and wait when there are no options. This program is structured to be implemented primarily by locals. Once the program is initiated, ROP's main activities are to monitor the Ag distributors and ensure quality of the trellis installations.
Annex 1: Favored Varieties

It is essential to provide farmers with the knowledge of the characteristics and market demand for each crop and variety. The range of income varies widely among the varieties of each crop. ROP has chosen to focus on a limited set of varieties that are either native to Afghanistan or have been recently introduced. Here is a sample listing of the favored varieties for the top crops. Horticulturist can debate this list and work by the EC could eventually lead to modification when their trials produce new recommendations. But until then, ROP is following the market demand and will use these varieties.

Grape: Shondukhanal, Taiifi

Pomegranate: Kandahari, the undisputed best pomegranate

Almond: Satarbal (aka Guldar, Sofi, No 4, Pat Dar), Qamabari, Abdul-wahidi, Khairu-Dini, Qaharbai, Shokoor bai

Apple: Red Chief, Blushing Golden, Royal Gala, Fuji

Walnut: Hartley, Tulare, Fernor

Citrus: ROP has imported sweet varieties on disease resistant rootstock from California as there is no remaining sweet citrus in Afghanistan. Favored varieties are: Washington Late, Valencia

Apricot: Amliri, Char Maghzy, Nari are the top three, but location will dictate which variety is best. There are many other Afghan varieties that are good, like Qaisi, Gul Pumba, Kurpa, Ashor Khabi, Shakarparah, Safidak, Qaradak and Saki. We have imported Tilton and Paterson that are good in bad climate situations.

Cherry: ROP has introduced 5 varieties from Europe, all the newer Bing-style sweet cherries: Stella, Lapins, Blaze Star, Sunburst, Sweet Heart. There are a number of sour cherry varieties, but these are used for cooking (dried) or juice (exported mainly to Iran).
Annex 2: Other Perennial Projects

World Bank Horticulture & Livestock Program
ROP is assuming control of the HLP extension team working in Shamali and the Northern Region. ROP is in the process of over-hauling the management of this team and will emerge with a 112 person extension team focused on perennial crops, specifically grapes, almonds, apricots and pomegranates. Included in this program is an objective to plant 1,700 hectares of new orchards, primarily in the northern province of Balkh and in central provinces of Kabul, Parwan and Kapisa. After this planting, the World Bank project only has budget for an additional 600ha of new orchards for 2010.

European Community Perennial Horticulture Development Program (PHDP)
The PHDP project is focusing more heavily on nursery development throughout the country. They are not involved in any large-scale planting programs. ROP is developing a national almond industry development organization (the Afghanistan Almond Industry Development Organization, a registered NGO) under this project.

USAID IDEA-NEW
In the eastern region, DAI’s current plans are not to plant any new orchards, only support existing orchards. In the north, Mercy Corp has not finalized their plans, but should be aggressively planting in Badakhshan and Takhar. ACDI/VOCA will have trellis programs in Balkh and surrounding areas. At this point our understanding is that they do not have any orchard plans.

USDA Orchard & Vineyard Program (ROP)
ROP is implementing a program to plant apples and trellis grapes in Ghazni, Logar and Wardak Provinces. This program runs through to mid-2011.
Annex 7: Program Timeline

1 General
1.1 Conclude contracts with USAID
1.2 Project review & approval with MAIL, Min of Econ, Provincial Gov't.
1.3 Start-up activities (hire team, establish offices, order equipment...)
1.4 Establish M&E Program and reporting structure
1.5 M&E Oversight
1.6 Baseline Survey
1.7 Monthly reporting
1.8 Independent M&E reporting against project objectives
1.9 Annual & Final reports

2 New Orchards
2.1 Inventory available tree seedlings for spring 2010 plantings
2.2 Coordinate with nurseries to grow needed trees for 2011-2013
2.3 Establish agreed contracts with nurseries to provide tree seedlings
2.4 Hire seedling team
2.5 Coordinate with MAIL, extension team, identify DAI, agents for program
2.6 Train ROP & DAI, extension team
2.7 Educate farmers on opportunity and varieties/clone decisions
2.8 Educate farmers on inter-crop decisions
2.9 Gain commitment by farmers to new orchard
2.10 Layout new orchards
2.11 Plant trees
2.12 Establish new irrigation scheme
2.13 Plant inter-crop
2.14 Assist in early pruning for proper tree structure and irrigation
2.15 Provide subsidized seed and fertilizer
2.16 Train on proper orchard care
2.17 Irrigation evaluation
2.18 Establish orchard plan
2.19 Implement small-scale irrigation projects thru local private firms

3 Trellising
3.1 Set up new or existing cement manufacturing firms to make trellises
3.2 Trellis posts manufactured
3.3 Delivery of posts to farmers
3.4 Deliver trellising to demo plot farmers
3.5 Finalize distribution plan & farmer contribution levels
3.6 Present to Ag input suppliers, AgDepots, establish contracts
3.7 Recruit farmers for demonstration plots
3.8 Hire local teams for trellis installation
3.9 Train local team on trellis installation
3.10 Install demo plots
3.11 Train ROP Extension team on growing & training vines for trellises
3.12 Farmer training on pruning and vine training
3.13 Recruit farmers who want to build their vineyard
3.14 Gain commitment by farmers to trellis their vineyard
3.15 Install trellising

4 Marketing
4.1 Contact merchants & develop intercrop and main crop marketing plans
4.2 Implement marketing plans with merchants and producers
4.3 Post-harvest training
4.4 Pilot export