



Billing Code 3410-10

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Notice of Funds Availability: Inviting Applications for the Emerging Markets Program

SUMMARY: The Commodity Credit Corporation (CCC) announces that it is inviting proposals for the 2013 Emerging Markets Program (EMP). The intended effect of this notice is to solicit applications from the private sector and from government agencies for FY 2013 and to set out criteria for the award of funds under the program in October 2012. The EMP is administered by personnel of the Foreign Agricultural Service (FAS).

The statutory authority for EMP expires at the end of fiscal year 2012. This notice is being published at this time to allow awards to be made early in fiscal year 2013, provided that the program is reauthorized prior to that time. In the event this program is not reauthorized, or is substantially modified, FAS will publish a notice in the Federal Register rescinding this Notice of Funds Availability.

DATES: To be considered for funding, applications must be received by 5 p.m. Eastern Daylight Time, May 21, 2012. Any applications received after this time will be considered only if funds are still available.

FOR FURTHER INFORMATION CONTACT: Entities wishing to apply for funding assistance should contact the Program Operations Division, Office of Trade Programs, Foreign Agricultural Service, Room 6512, 1400 Independence Ave., SW., Washington, DC 20250, or *by phone:* (202) 720-4327, or *by fax:* (202) 720-9361, or *by e-mail:* podadmin@fas.usda.gov.

Information is also available on the Foreign Agricultural Service Web site at <http://www.fas.usda.gov/mos/em-markets/em-markets.asp>.

SUPPLEMENTARY INFORMATION:

I. Funding Opportunity Description

Announcement Type: New.

Catalog of Federal Domestic Assistance (CFDA) Number: 10.603.

Authority: The EMP is authorized by section 1542(d)(1) of the Food, Agriculture, Conservation and Trade Act of 1990 (The Act), as amended. The EMP regulations appear at 7 CFR part 1486.

1. Purpose. The EMP assists U.S. entities in developing, maintaining, or expanding exports of U.S. agricultural commodities and products by funding activities that improve emerging markets' food and rural business systems, including reducing potential trade barriers in such markets. The EMP is intended primarily to support export market development efforts of the private sector, but EMP resources may also be used to assist public organizations.

All U.S. agricultural commodities, except tobacco, are eligible for consideration. Agricultural product(s) should be comprised of at least 50 percent U.S. origin content by weight, exclusive of added water, to be eligible for funding. Proposals that seek support for multiple commodities are also eligible. EMP funding may only be used to develop, maintain, or expand emerging markets for U.S. agricultural commodities and products through generic activities. EMP funding may not be used to support the export of another country's products to the United States, or to promote the development of a foreign economy as a primary objective.

2. Appropriate Activities. All EMP projects must fall into at least one of the following four categories:

(a) Assistance to teams consisting primarily of U.S. individuals expert in assessing the food and rural business systems of other countries. This type of EMP project must include all three of the following:

- Conduct an assessment of the food and rural business system needs of an emerging market;
- Make recommendations on measures necessary to enhance the effectiveness of these systems; and
- Identify opportunities and projects to enhance the effectiveness of the emerging market's food and rural business systems.

To be eligible, such proposals must clearly demonstrate that experts are primarily agricultural consultants, farmers, other persons from the private sector, and government officials, and that they have expertise in assessing the food and rural business systems of other countries.

(b) Assistance to enable individuals from emerging markets to travel to the United States so that these individuals can, for the purpose of enhancing the food and rural business systems in their countries, become familiar with U.S. technology and agribusiness and rural enterprise operations by consulting with food and rural business system experts in the United States.

(c) Assistance to enable U.S. agricultural producers and other individuals knowledgeable in agricultural and agribusiness matters to travel to emerging markets to assist in transferring their knowledge and expertise to entities in emerging markets. Such travel must be to emerging markets. Travel to developed markets is not eligible under the program even if the traveler's targeted market is an emerging market.

(d) Technical assistance to implement the recommendations, projects, and/or opportunities identified under 2(a) above. Technical assistance that does not implement the recommendations, projects, and/or opportunities identified by assistance under 2(a) above is not eligible under the EMP.

Proposals that do not fall into one or more of the four categories above, regardless of previous guidance provided regarding the EMP, are not eligible for consideration under the program.

EMP funds may not be used to support normal operating costs of individual organizations, nor as a source to recover pre-award costs or prior expenses from previous or ongoing projects. Proposals that counter national strategies or duplicate activities planned or already underway by U.S. non-profit agricultural commodity or trade associations (“cooperators”) will not be considered. Other ineligible expenditures include: branded product promotions (e.g., in-store, restaurant advertising, labeling, *etc.*); advertising, administrative, and operational expenses for trade shows; Web site development; equipment purchases; and the preparation and printing of brochures, flyers, and posters (except in connection with specific technical assistance activities such as training seminars). For a more complete description of ineligible expenditures, please refer to the EMP regulations.

3. *Eligible Markets.* The Act defines an emerging market as any country that the Secretary of Agriculture determines:

(a) Is taking steps toward developing a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

(b) Has the potential to provide a viable and significant market for U.S. agricultural commodities or products of U.S. agricultural commodities.

Because EMP funds are limited and the range of potential emerging market countries is worldwide, consideration will be given only to proposals that target countries or regional groups with per capita income of less than \$12,275 (the current ceiling on upper middle income economies as determined by the World Bank [World Development Indicators; November 2011,

<http://siteresources.worldbank.org/DATASTATISTICS/Resources/CLASS.XLS/>) and populations of greater than 1 million.

Income limits and their calculation can change from year to year with the result that a given country may qualify under the legislative and administrative criteria one year but not the next. Therefore, CCC has not established a fixed list of emerging market countries.

A few countries technically qualify as emerging markets but may require a separate determination before funding can be considered because of political sensitivities.

II. Award Information

In general, all qualified proposals received before the application deadline will compete for EMP funding. Priority consideration will be given to proposals that directly support or address at least one of the goals and objectives in the USDA and FAS Strategic Plans. The USDA Strategic Plan can be accessed at the following link:

<http://www.ocfo.usda.gov/usdasp/sp2010/sp2010.pdf>. The FAS strategic plan can be accessed at the following link: [http://www.fas.usda.gov/admin/FAS%20StrategicPlan2010-](http://www.fas.usda.gov/admin/FAS%20StrategicPlan2010-15finalClearedFFAS.pdf)

[15finalClearedFFAS.pdf](http://www.fas.usda.gov/admin/FAS%20StrategicPlan2010-15finalClearedFFAS.pdf). The applicants' willingness to contribute resources, including cash, goods and services, will be a critical factor in determining which proposals are funded under the EMP. Proposals will also be judged on the potential benefits to the industry represented by the applicant and the degree to which the proposal demonstrates industry support.

The limited funds and the range of eligible emerging markets worldwide generally preclude CCC from approving large budgets for individual projects. While there is no minimum or maximum amount set for EMP-funded projects, most projects are funded at a level of less than \$500,000 and for a duration of approximately one year. Private entities may submit multi-year proposals requesting higher levels of funding that may be considered in the context of a detailed strategic implementation plan. Funding in such cases is generally limited to three years and

provided one year at a time with commitments beyond the first year subject to interim evaluations and funding availability. Government entities are not eligible for multi-year funding.

Funding for successful proposals will be provided through specific agreements. The CCC, through FAS, will be kept informed of the implementation of approved projects through the requirement to provide interim progress reports and final performance reports. Changes in the original project timelines and adjustments within project budgets must be approved in advance by FAS.

Note: EMP funds awarded to government agencies must be expended or otherwise obligated by close of business, September 30, 2013.

III. Eligibility and Qualification Information

1. Eligible Applicants: Any U.S. private or government entity (*e.g.*, universities, non-profit trade associations, agricultural cooperatives, state regional trade groups (SRTGs), state departments of agriculture, federal agencies, profit-making entities, and consulting businesses) with a demonstrated role or interest in exports of U.S. agricultural commodities or products may apply to the program. Proposals from research and consulting organizations will be considered if they provide evidence of substantial participation by and financial support from the U.S. industry. For-profit entities are also eligible but may not use program funds to conduct private business, promote private self-interests, supplement the costs of normal sales activities or promote their own products or services beyond specific uses approved by CCC in a given project.

U.S. export market development cooperators and SRTGs may seek funding to address priority, market specific issues and to undertake activities not suitable for funding under other CCC market development programs, *e.g.*, the Foreign Market Development Cooperator (Cooperator) Program and the Market Access Program (MAP). Foreign organizations, whether

government or private, may participate as third parties in activities carried out by U.S. organizations, but are not eligible for funding assistance from the program.

2. Cost Sharing: No private sector proposal will be considered without the element of cost-share from the applicant and/or U.S. partners. The EMP is intended to complement, not supplant, the efforts of the U.S. private sector. There is no minimum or maximum amount of cost-share, though the range in recent successful proposals has been between 35 and 75 percent. The degree of commitment to a proposed project, represented by the amount and type of private funding, is one factor used in determining which proposals will be approved for funding. Cost-share may be actual cash invested or professional time of staff assigned to the project. Proposals for which private industry is willing to commit cash, rather than in-kind contributions, such as staff resources, will be given priority consideration.

Cost-sharing is not required for proposals from government agencies, but is mandatory for all other eligible entities, even when they may be party to a joint proposal with a government agency. Contributions from USDA or other government agencies or programs may not be counted toward the stated cost-share requirement of other applicants. Similarly, contributions from foreign (non-U.S.) organizations may not be counted toward the cost-share requirement, but may be counted in the total cost of the project.

3. Other: Proposals should include a justification for funding assistance from the program – an explanation as to what specifically could not be accomplished without Federal funding assistance and why the participating organization(s) would be unlikely to carry out the project without such assistance. Applicants may submit more than one proposal.

IV. Application and Submission Information

1. Address to Request Application Package: EMP applicants have the opportunity to utilize the Unified Export Strategy (UES) application process, an online system that provides a means

for interested applicants to submit a consolidated and strategically coordinated single proposal that incorporates funding requests for any or all of the market development programs administered by FAS.

Applicants are strongly encouraged to submit their applications to FAS through the UES application Internet Web site. The Internet-based format reduces paperwork and expedites the FAS processing and review cycle. Applicants planning to use the on-line UES system must contact the Program Operations Division to obtain site access information. The Internet-based application is located at the following URL address: <https://www.fas.usda.gov/ues/webapp/>.

Although FAS highly recommends applying via the Internet-based application, applicants also have the option of submitting an electronic version to FAS at podadmin@fas.usda.gov.

2. Content and Form of Application Submission: To be considered for the EMP, an applicant must submit to FAS information required by this Notice of Funds Availability and the EMP regulations at 7 CFR part 1486. EMP regulations and additional information are available at the following URL address: <http://www.fas.usda.gov/mos/em-markets/em-markets.asp>.

In addition, in accordance with the Office of Management and Budget's issuance of a final policy (68 FR 38402 (June 27, 2003)) regarding the need to identify entities that are receiving government awards, all applicants must submit a Dun and Bradstreet Data Universal Numbering System (DUNS) number. An applicant may request a DUNS number at no cost by calling the dedicated toll-free DUNS number request line on 1-866-705-5711.

In addition, in accordance with 2 CFR Part 25, each entity that applies to the EMP and does not qualify for an exemption under 2 CFR §25.110 must:

- (i) Be registered in the CCR prior to submitting an application or plan;
- (ii) Maintain an active CCR registration with current information at all times during which it has an active Federal award or an application or plan under consideration by CCC; and

(iii) Provide its DUNS number in each application or plan it submits to CCC.

Similarly, in accordance with 2 CFR Part 170, each entity that applies to the EMP and does not qualify for an exception under 2 CFR §170.110(b) must ensure it has the necessary processes and systems in place to comply with the applicable reporting requirements of 2 CFR Part 170 should it receive EMP funding.

Applications should be no longer than ten (10) pages and include the following information:

- (a) Date of proposal;
- (b) Name of organization submitting proposal;
- (c) Organization address, telephone and fax numbers;
- (d) Tax ID number;
- (e) DUNS number;
- (f) Primary contact person;
- (g) Full title of proposal;
- (h) Target market(s);
- (i) Current conditions in the target market(s) affecting the intended commodity or product;
- (j) Description of problem(s) (*i.e.*, constraint(s)) to be addressed by the project, such as the need to assess and enhance food and rural business systems of the emerging market, lack of awareness by foreign officials of U.S. technology and business practices, impediments (infrastructure, financing, regulatory or other non-tariff barriers) to the effectiveness of emerging market's food and rural business systems previously identified by an EMP project that are to be implemented by the applicant, *etc.*;
- (k) Project objectives;
- (l) Performance measures: Benchmarks for quantifying progress in meeting the objectives;

(m) Rationale: Explanation of the underlying reasons for the project proposal and its approach, the anticipated benefits, and any additional pertinent analysis;

(n) Clear demonstration that successful implementation will benefit an emerging market's food and rural business system and/or reduce potential trade barriers, and will benefit a particular industry as a whole, not just the applicant(s);

(o) Explanation as to what specifically could not be accomplished without Federal funding assistance and why the participating organization(s) would be unlikely to carry out the project without such assistance;

(p) Specific description of activity/activities to be undertaken;

(q) Timeline(s) for implementation of activity, including start and end dates;

(r) Information on whether similar activities are or have previously been funded with USDA resources in the target country or countries (*e.g.*, under MAP and/or Cooperator programs);

(s) Detailed line item activity budget:

- Cost items should be allocated separately to each participating organization; and
- Expense items constituting a proposed activity's overall budget (*e.g.*, salaries, travel expenses, consultant fees, administrative costs, etc.), with a line item cost for each, should be listed, clearly indicating:

(1) Which items are to be covered by EMP funding;

(2) Which by the participating U.S. organization(s); and

(3) Which by foreign third parties (if applicable).

Cost items for individual consultant fees should show calculation of daily rate and number of days. Cost items for travel expenses should show number of trips, destinations, cost, and objective for each trip; and

(t) Qualifications of applicant(s) should be included as an attachment.

3. *Funding Restrictions:* Certain types of expenses are not eligible for reimbursement by the program, and there are limits on other categories of expenses, such as indirect overhead charges, travel expenses, and consulting fees. CCC will also not reimburse unreasonable expenditures or expenditures made prior to approval of a proposal. Full details of the funding restrictions are available in the EMP regulations.

4. *Submission Dates and Times:* EMP funding is reviewed on a rolling basis during the fiscal year as long as EMP funding is available as set forth below:

- Proposals received by, but not later than, 5 p.m. Eastern Daylight Time, May 21, 2012, will be considered for funding with other proposals received by that date;
- Proposals not approved for funding during the review period will be reconsidered for funding after the review period only if the applicant specifically requests such reconsideration in writing, and only if funding remains available;
- Proposals received after 5 p.m. Eastern Daylight Time, May 21, 2012, will be considered in the order received for funding only if funding remains available.

5. *Other Submission Requirements:* All Internet-based applications must be properly submitted by 5 p.m., Eastern Daylight Time, May 21, 2012, in order to be considered for funding; late submissions received after the deadline will be considered only if funding remains available. All applications submitted by email must be received by 5 p.m. Eastern Daylight Time, May 21, 2012, at podadmin@fas.usda.gov in order to receive the same consideration.

V. Application Review Information

1. *Criteria:* Key criteria used in judging proposals include:

- The objective of the activities is to develop, maintain, or expand markets for U.S. agricultural exports by improving the effectiveness of the food and rural business systems in emerging markets;

- Appropriateness of the activities for the targeted market(s) and the extent to which the project identifies market barriers (e.g., a fundamental deficiency in the emerging market's food and rural business systems, and/or a recent change in those systems);
- Potential of the project to expand U.S. market share and increase U.S. exports or sales;
- Quality of the project's performance measures, and the degree to which they relate to the objectives, deliverables, and proposed approach and activities;
- Justification for Federal funding;
- Overall cost of the project and the amount of funding provided by the applicant and any partners; and
- Evidence that the organization has the knowledge, expertise, ability, and resources to successfully implement the project, including timeliness and quality of reporting on past EMP activities.

Please see 7 CFR part 1486 for additional evaluation criteria.

2. Review and Selection Process: All applications undergo a multi-phase review within FAS, by appropriate FAS field offices, and, as needed, by the private sector Advisory Committee on Emerging Markets to determine the qualifications, quality, appropriateness of projects, and reasonableness of project budgets.

VI. Award Administration Information

1. Award Notices: FAS will notify each applicant in writing of the final disposition of the submitted application. FAS will send an approval letter and project agreement to each approved applicant. The approval letter and agreement will specify the terms and conditions applicable to the project, including the levels of EMP funding and cost-share contribution requirements.

2. *Administrative and National Policy Requirements:* Interested parties should review the EMP regulations, which are available at the following URL address:

<http://www.fas.usda.gov/mos/em-markets/em-markets.asp>.

3. *Reporting.* Quarterly progress reports for all programs 1 year or longer in duration are required. Projects of less than 1 year generally require a mid-term progress report. Final performance reports are due 90 days after completion of each project. Content requirements for both types of reports are contained in the Project Agreement. Final financial reports are also due 90 days after completion of each project as attachments to the final reports. Please see 7 CFR part 1486 for additional reporting requirements.

VII. Agency Contact(s)

For additional information and assistance, contact the Program Operations Division, Office of Trade Programs, Foreign Agricultural Service, U.S. Department of Agriculture, Room 6512, 1400 Independence Ave., SW., Washington, DC 20250, or *by phone*: (202) 720-4327, or *by fax*: (202) 720-9361, or *by e-mail*: podadmin@fas.usda.gov.

Signed at Washington, DC on __13__ day of __April_____, 2012.

Bryce Quick
Acting Administrator, Foreign Agricultural Service and
Vice President, Commodity Credit Corporation.