

**DEPARTMENT OF AGRICULTURE****Commodity Credit Corporation****Notice of Funds Availability: Inviting Applications for the Emerging Markets Program**

*Announcement Type:* New.  
*Catalog of Federal Domestic Assistance (CFDA) Number:* 10.603.

**SUMMARY:** The Commodity Credit Corporation (CCC) announces that it is inviting proposals for the 2009 Emerging Markets Program (EMP). The intended effect of this notice is to solicit applications from the private sector and from government agencies for FY 2009 and award funds in October 2008. The EMP is administered by personnel of the Foreign Agricultural Service (FAS).

**DATES:** All proposals must be received by 5 p.m. Eastern Daylight Time, August 15, 2008. Applications received after this time will be considered only if funds are still available.

**FOR FURTHER INFORMATION CONTACT:** Entities wishing to apply for funding should contact the Grants Management Branch, Foreign Agricultural Service, phone: (202) 720-5306, fax: (202) 690-0193, e-mail: [emo@fas.usda.gov](mailto:emo@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**

*Authority:* The EMP is authorized by section 1542(d)(1)(D) 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 is designed to assist U.S. entities in developing, maintaining, or expanding exports of U.S. agricultural commodities and products by providing partial funding for technical assistance activities that promote U.S. products in emerging foreign markets. The Program is intended primarily to support export market development efforts of the private sector, but Program 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 which seek support for multiple commodities are also eligible. EMP funding may only be used to support exports of U.S.

agricultural commodities/products through generic activities.

*2. Appropriate Activities:* Following are illustrative of the types of project activities that may be considered for funding under the EMP:

- Projects designed specifically to improve market access in emerging foreign markets. Example: Activities that mitigate the impact of political or economic events;
- Projects that specifically address various constraints to U.S. exports, including sanitary and phytosanitary issues and other non-tariff barriers. Examples: Seminars on U.S. food safety standards and regulations; and assessing and addressing pest and disease problems that inhibit U.S. exports;
- Short-term training in broad aspects of agriculture and agribusiness trade that will benefit U.S. exporters. Examples: Retail training or transportation/distribution seminars;
- Projects that help foreign governments collect and use market information and develop free trade policies that benefit U.S. exporters as well as the target country or countries. Examples: Agricultural statistical analysis or development of market information systems;
- Assessments and follow-up activities designed to improve country-wide food and business systems or to determine potential use of general export credit guarantees. Examples: Product needs assessments and market analysis;
- Studies of food distribution channels in emerging markets, including infrastructural impediments to U.S. exports. Examples: Grain storage handling and inventory systems; and distribution infrastructure development; and
- Marketing and distribution of value-added products. Example: Market research on the potential for consumer-ready foods or new uses of a product.

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 (“cooperator”) organizations will not be considered. Other ineligible expenditures include branded product promotions (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 United States agricultural commodities or products of United States agricultural commodities.

Because EMP funds are limited and the range of potential emerging market countries is worldwide, consideration will be given to proposals that target countries or regional groups with per capita income of less than \$11,115 (the current ceiling on upper middle income economies as determined by the World Bank [World Development Indicators; July 2007, <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 identify and seek to address specific problems or constraints to trade in emerging markets through technical assistance activities that are intended to expand or maintain U.S. agricultural exports. Priority consideration will also 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 applicants’ willingness to contribute resources, including cash or 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 1 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 3 years and provided one year at a time with commitments beyond the first year subject to interim evaluations and funding availability. Federal 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 quarterly progress reports and final performance reports. Changes in the original project timelines and adjustments within project budgets must be approved by FAS.

**Note:** EMP funds awarded to federal government agencies must be expended or otherwise obligated by close of business, September 30, 2009.

### III. Eligibility and Qualification Information

*1. Eligible Applicants:* Any United States private or Government entity with a demonstrated role or interest in exports of U.S. agricultural commodities or products may apply to the program. Government entities consist of Federal, State, and local agencies. Private entities include non-profit trade associations, universities, agricultural cooperatives, state regional trade groups (SRTG), profit-making entities, and consulting businesses. Proposals from research and consulting organizations will be considered if they provide evidence of substantial participation in 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. market development cooperators and SRTGs may seek funding to address priority, market specific issues and to undertake activities not suitable for funding under other marketing 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 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 U.S. Government agencies, but is mandatory for all other eligible entities, even when they may be party to a joint proposal with a U.S. Government agency. Contributions from USDA or other U.S. Government agencies or programs may not be counted toward the stated cost-share requirement. 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 on-line system which 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.

Organizations are encouraged to submit their application to FAS through the UES application Internet Web site. However, applicants are not required to use the UES format. 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 Policy Staff at (202) 720-4327 to obtain site access information, including a user ID and password. The Internet-based application, including step-by-step instructions for its use, is located at the following URL address: <http://www.fas.usda.gov/cooperators.html>. A help file is available to assist applicants with the process. Applicants using the online system should also provide, promptly after the deadline for submitting the on-line application, a printed or e-mailed version of each proposal (using Word or compatible format) to the following address:

Hand Delivery (including FedEx, DHL, UPS, etc.): U.S. Department of Agriculture, Foreign Agricultural Service, Grants Management Branch, Portals Office Building, Suite 400, 1250 Maryland Avenue, SW., Washington, DC 20024.

Applicants electing not to use the on-line system must submit both (1) two printed copies of their application to the address above and (2) an electronic version to [emo@fas.usda.gov](mailto:emo@fas.usda.gov).

*2. Content and Form of Application Submission:* To be considered for the EMP, an applicant must submit to the FAS information required by the EMP regulations 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) 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.

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 inadequate knowledge of the market, insufficient trade contacts, lack of awareness by foreign officials of U.S. products and business practices, impediments (infrastructure, financing, regulatory or other non-tariff barriers), 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 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 target country/countries (e.g., under MAP and/or Cooperator programs); and

(s) Detailed line item activity budget; Cost items should be allocated separately to each participating organization. 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. Qualifications of applicant(s) should be included as an attachment.

3. *Submission Dates and Times:* All applications must be received by 5 p.m. Eastern Daylight Time on August 15, 2008, in the Grants Management Branch. Proposals received after this date and time will not be reviewed or considered for program funding.

4. *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.

5. *Other Submission Requirements and Considerations:* All Internet-based applications must be properly submitted by 5 p.m. Eastern Daylight Time, August 15, 2008.

All applications on compact disc (with two accompanying paper copies) and any other form of application must be received by 5 p.m. Eastern Daylight Time, August 15, 2008, at the following address:

Hand Delivery (including FedEx, DHL, UPS, etc.): U.S. Department of Agriculture, Foreign Agricultural Service, Grants Management Branch, Portals Office Building, Suite 400, 1250 Maryland Ave., SW., Washington, DC 20024.

## V. Application Review Information

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

- 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 market and/or a recent change in market conditions;
- Potential of the project to expand U.S. market share, increase U.S. exports or sales, and/or improve awareness of U.S. agricultural commodities and products;
- 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.

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.

3. *Anticipated Announcement Date:* EMP funding decisions are anticipated in late summer/fall of 2008. However, projects cannot begin before October 1, 2008.

## VI. Award Administration Information

1. *Award Notices:* FAS will notify each applicant in writing of the final disposition of its 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.

## VII. Agency Contact(s)

For additional information and assistance, contact the Grants Management Branch, Foreign Agricultural Service, U.S. Department of Agriculture, phone: (202) 720-5306, fax: (202) 690-0193, e-mail: [emo@fas.usda.gov](mailto:emo@fas.usda.gov).

Dated: July 1, 2008.

**Michael W. Yost,**

*Administrator, Foreign Agricultural Service and Vice President, Commodity Credit Corporation.*

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