

identify terms and conditions pursuant to which CCC will reimburse certain costs of each project. Agreements will also outline the responsibilities of the participant, including, but not limited to, procurement (or arranging for procurement) of the commodity sample at a fair market price, arranging for transportation of the commodity sample within the time limit specified in the agreement (organizations should endeavor to ship commodities within 6 months of effective date of agreement), compliance with cargo preference requirements (shipment on United States flag vessels, as required), compliance with the Fly America Act requirements (shipment on United States air carriers, as required), timely and effective implementation of technical assistance, and submission of a written evaluation report within 90 days of expiration of the agreement.

QSP agreements are subject to review and verification by the FAS Compliance, Security and Emergency Planning Division. Upon request, a QSP participant shall provide to CCC the original documents which support the participant's reimbursement claims. CCC may deny a claim for reimbursement if the claim is not supported by adequate documentation. If a participant receives a reimbursement which is later disallowed, the participant shall within 30 days of such disallowance repay CCC the amount owed by submitting a check payable to CCC.

3. *Reporting.* A written evaluation report must be submitted within 90 days of the expiration of each participant's QSP agreement. Evaluation reports should address all performance measures that were presented in the proposal.

#### VII. Agency Contact(s)

For additional information and assistance, contact the Program Policy Staff, Foreign Agricultural Service, U.S. Department of Agriculture, Portals Office Building, Suite 400, Stop 1042, 1250 Maryland Avenue, SW., Washington, DC 20024, phone: (202) 720-4327, fax: (202) 720-9361, e-mail: [ppsadmin@fas.usda.gov](mailto:ppsadmin@fas.usda.gov).

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## 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 the availability of approximately \$8 million in funding for the Emerging Markets Program (EMP) for fiscal year (FY) 2007. The intended effect of this notice is to solicit applications from the private sector and from government agencies for FY 2007 and award funds in August 2007. 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, May 14, 2007. Applications received after this time will not be considered.

**FOR FURTHER INFORMATION CONTACT:** Entities wishing to apply for funding assistance should contact the Program Policy Staff, Foreign Agricultural Service, Portals Office Building, Suite 400, 1250 Maryland Avenue, SW., Washington, DC 20024, phone: (202) 720-4327, fax: (202) 720-9361, e-mail: [ppsadmin@fas.usda.gov](mailto:ppsadmin@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. EMP regulations appear at 7 CFR part 1486.

1. *Purpose:* The EMP provides funding for technical assistance to assist U.S. organizations, public and private, to improve market access through generic, rather than branded, activities that can develop and promote U.S. agricultural products and/or processes in low- to middle-income countries that offer promise of emerging market opportunities.

Activities funded are those that primarily benefit U.S. industry as a whole. All agricultural products, except tobacco, are eligible for consideration. Proposals which include multiple commodities are also eligible. Only technical assistance activities are eligible for reimbursement.

2. *Appropriate Activities:* Following are types of project activities that may be funded:

- Projects designed specifically to improve market access in emerging foreign markets. Examples: Activities intended to mitigate the impact of sudden political events or economic and currency crises in order to maintain U.S. market share; responses to time-sensitive market opportunities;
- Marketing and distribution of value-added products, including new products or uses. Examples: Food service development; market research on potential for consumer ready foods or new uses of a product;
- Studies of food distribution channels in emerging markets, including infrastructural impediments to U.S. exports; such studies should be specific in their focus and may include cross-commodity activities which address specific problems. Examples: Grain storage handling and inventory systems development; distribution infrastructure development;
- 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; assessing and addressing pest and disease problems that inhibit U.S. exports;
- Assessments and follow up activities designed to improve country-wide food and business systems, to reduce trade barriers, to increase prospects for U.S. trade and investment in emerging markets, and to determine the potential use for general export credit guarantees for commodities and services. Examples: Product needs assessments and market analysis; assessments to address infrastructural impediments;
- 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; development of market information systems; policy analysis; and,
- Short-term training in broad aspects of agriculture and agribusiness trade that will benefit U.S. exporters, including seminars and training at trade shows designed to expand the potential for U.S. agricultural exports by focusing on the trading system. Examples: Retail training; marketing seminars; transportation seminars; training on opening new or expanding existing markets. The program funds technical assistance activities on a project-by-project basis.

EMP funds may not be used to support normal operating costs of individual organizations, nor as a source by which to recover pre-award costs or prior expenses from previous or ongoing projects.

Proposals that counter national strategies or duplicate activities already planned or underway by national non-profit commodity or trade associations ("cooperator") organizations will not be considered.

Ineligible activities include restaurant promotions; branded product promotions (including labeling and supplementing normal company sales activities intended to increase awareness and stimulate sales of branded products); advertising; administrative and operational expenses for trade shows; and the preparation and printing of brochures, flyers, posters, etc., except in connection with specific technical assistance activities such as training seminars. Other items excluded from funding are contained in 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 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 funds are limited and the range of potential emerging market countries is worldwide, proposals for technical assistance activities will be considered which target those countries or regional groups with per capita income less than \$10,725 (the current ceiling on upper middle income economies as determined by the World Bank [World Development Indicators; July 2006]) 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. For FY 2007, however, the following guidance is provided regarding country eligibility for the EMP:

—Eligible. All of the countries of Central and South America; most in the Caribbean; all of sub-Saharan Africa; some countries in the Middle East; and the developing economies of Asia.

—Generally Ineligible. Canada; Japan; Taiwan; Hong Kong; South Korea; Australia; New Zealand; all countries of Western Europe; Slovenia; Israel; Aruba, and Antigua and Barbuda in the Caribbean; and Saudi Arabia, the United Arab Emirates, and Qatar in the Middle East.

Some markets can be more difficult to develop and sustain over a period of time; proposed activities in such markets should be considered in terms of whether they provide "viable and significant markets" for U.S. agricultural exports.

In the case of some oil-rich countries in the Middle East, however, e.g., Saudi Arabia, targeted activities may be considered on a case-by-case basis, for example, addressing technical barriers to exporting U.S. commodities.

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

## 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 agricultural exports in emerging markets through technical assistance activities that are intended to expand or maintain U.S. agricultural exports. Priority will also be given to those proposals that include the willingness of the applicant to commit its own funds, or those of the U.S. industry, to seek export opportunities in an emerging market. The percentage of private funding proposed for a project will, therefore, be a critical factor in determining which proposals are funded under the EMP. Proposals will also be judged on their ability to provide benefits to the organization receiving EMP funds and to the broader industry which that organization represents.

The limited funds and the range of emerging markets worldwide in which the funds may be used preclude CCC from approving large budgets for individual projects. While there is no minimum or maximum amount set for EMP-funded projects, most are funded at a level of less than \$250,000 and for a duration of approximately one year. Multi-year proposals, and those requesting higher levels of funding, may be considered in the context of a strategic detailed plan of implementation. Funding in such cases is normally provided one year at a time, with commitments beyond the first year subject to interim evaluations.

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 time lines and adjustments within project budgets must be approved by FAS.

## 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 organizations consist of Federal, State, and local agencies. Private organizations include non-profit trade associations, universities, agricultural cooperatives, state regional trade groups, and 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 by 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 state regional trade groups (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 participant 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 online 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.

Applicants are not required to use the UES, but are strongly encouraged to do so because it reduces paperwork and expedites the FAS processing and review cycle. Applicants planning to use the on-line 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 one of the following addresses:

Hand Delivery (including FedEx, DHL, UPS, etc.): U.S. Department of

Agriculture, Foreign Agricultural Service, Program Policy Staff, Portals Office Building, Suite 400, 1250 Maryland Avenue, SW., Washington, DC 20024.

U.S. Postal Delivery: U.S. Department of Agriculture, Foreign Agricultural Service, Program Policy Staff, STOP 1042, 1400 Independence Ave., SW., Washington, DC 20250-1042.

Applicants electing not to use the on-line system must submit both (1) a printed copy of their application to the addresses above and (2) an electronic version to the e-mail address above.

2. *Content and Form of Application Submission.* It is highly recommended that any organization considering applying to the program first obtain a copy of the EMP Regulations. The regulations contain information on requirements that a proposal must include in order to be considered for funding under the program, along with other important information. EMP regulations and additional information may be obtained from the Program Policy Staff at the address above. The regulations are also 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 policy directive regarding the use of a universal identifier for all Federal grants or cooperative agreements, all applicants must submit a Dun and Bradstreet Data Universal Numbering System (DUNS) number prior to submitting applications. 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;  
 (1) 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) Time line(s) for implementation of activity, including start and end dates (start date should be no earlier than September 2007);

(r) Information on whether similar activities are or have previously been funded with USDA sources in target country/countries (e.g., under MAP and/or FMD 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 proposals must be received by 5 p.m. Eastern Daylight Time on May 14, 2007, in the PPS office, either electronically, hand delivered, or by mail. 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 not reimburse

expenditures made prior to approval of a proposal or unreasonable expenditures. Full details are available in the EMP regulations.

#### Application Review Information

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

- 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, proposed approach and activities, and deliverables;
- Justification for federal funding;
- Budget: overall cost and the amount of funding provided by applicants, the U.S. private sector and partners, if any; and
- Evidence that the organization has the knowledge, expertise, ability, and

resources to successfully implement the project.

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

3. *Anticipated Announcement Date.* Announcements of funding decisions for the EMP are anticipated in August 2007.

#### VI. Award Administration Information

1. *Award Notices.* FAS will notify applicants in writing of the final disposition of each 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>. Printed copies

may be obtained by contacting PPS at (202) 720-4327.

3. *Reporting.* Quarterly progress reports for all programs one year or longer in duration are required. Projects of less than one year generally require a mid-term progress report. Final performance reports are due 90 days after completion of each project. Content for both types of reports is 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 Program Policy Staff, Foreign Agricultural Service, U.S. Department of Agriculture, Portals Office Building, Suite 400, Stop 1042, 1250 Maryland Avenue, SW., Washington, DC 20024, phone: (202) 720-4327, fax: (202) 720-9361, e-mail: [ppsadmin@fas.usda.gov](mailto:ppsadmin@fas.usda.gov).

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