

AGREEMENT: LRP-696-2016/019-00
COUNTRY: Rwanda

**PROJECT AGREEMENT
B ETWEEN
THE FOREIGN AGRICULTURAL SERVICE
AND THE WORLD FOOD PROGRAMME
FOR THE DONATION OF AGRICULTURAL
COMMODITIES AND RELATED ASSISTANCE UNDER
THE USDA LOCAL AND REGIONAL FOOD AID PROCUREMENT PROGRAM**

Preamble

Whereas, the Foreign Agricultural Service (FAS), United States Department of Agriculture (USDA), is authorized under section 3206 of the Food, Conservation, and Energy Act of 2008, as amended, 7 U.S.C. 1726c, to provide funds to the World Food Programme (WFP) for the local and regional purchase of eligible agricultural commodities and related transportation, storage, handling and administrative costs to carry out field-based projects under the USDA Local and Regional Food Aid Procurement (LRP) Program;

Now, therefore, FAS and WFP agree as follow:

**PART I
TERMS OF DONATION**

A. FAS agrees to donate up to \$2,000,000 to WFP under the USDA Local and Regional Food Aid Procurement Program for WFP to use in support of its field-based project number LRP-696-2016/019-00 in Rwanda.

B. WFP agrees to use the funds donated by FAS under this agreement to make local or regional procurements of eligible agricultural commodities, and to pay transportation and associated costs, to carry out a field-based project in Rwanda only in accordance with this agreement and the fiscal year (FY16) WFP Rwanda Project Implementation Summary, Attachment A, which is attached hereto and made a part of this agreement.

C. The total value for this FY 2016 donation in U.S. dollars will not exceed \$2,000,000, which is

FAS's estimated value for this donation. This estimated value includes the commodity value, inland costs, and associated costs. Associated costs include: internal transportation; storage and handling (ITSH); proportional, allowable direct support costs (DSC); other direct operational costs (ODOC); and proportional indirect support costs (ISC). The FY 2016 DSC and ODOC are calculated based on the total requirements for project number CP 200539, less items labeled insurance.

D. FAS and WFP consent that mutually additional terms governing this donation may be set forth in an amendment to this agreement.

E. For the purposes of this agreement:

(1) The term "eligible commodity" means an agricultural commodity (or the product of an agricultural commodity) that: (a) is produced in, and procured from, a developing country; and (b) at a minimum, meets each nutritional, quality, and labeling standard of the country that receives the agricultural commodity, as determined by the FAS; and

(2) The term "region" means the continent of Africa.

PART II GENERAL PROVISIONS

A. WFP will not resell or transship any eligible commodities procured under this agreement to any country other than Rwanda and will not use such commodities for any purpose other than food aid.

B. WFP asserts that it has taken action to ensure that any eligible commodities that will be procured regionally will be imported, and all procured commodities will be distributed, free from all customs, duties, tolls, and taxes.

C. WFP asserts that, to the best of its knowledge, the eligible commodities can be procured locally or regionally without a disruptive impact on farmers located in, or the economy of, Rwanda or any country in the region.

D. WFP asserts that, to the best of its knowledge, the eligible commodities can be procured without unduly disrupting world prices for agricultural commodities or normal patterns of commercial trade with foreign countries.

E. WFP asserts that, to the best of its knowledge, the eligible commodities can be procured

without significantly increasing commodity costs for low-income consumers who procure commodities sourced from the same market in which the eligible commodities are procured.

F. WFP asserts that adequate transportation and storage facilities will be available in Rwanda to prevent spoilage or waste of the procured commodities.

G. WFP will procure the eligible commodities at a reasonable market price with respect to the economy of the purchase country, as determined by FAS.

H. WFP will not permit the distribution, handling, or allocation of commodities donated under a project agreement within the targeted country on the basis of political affiliation, geographic location, or the ethnic, tribal, or religious identity of the potential consumers or beneficiaries.

I. WFP will not permit the distribution, handling, or allocation of commodities donated under a project agreement by military forces or any government or insurgent group without the specific authorization of FAS.

J. Consistent with numerous United Nations Security Council resolutions, including S/RES/1267 (1999), S/RES/1269 (1999), S/RES/1368 (2001) and S/RES/1373 (2001), both FAS and WFP are firmly committed to the international fight against terrorism and, in particular, against the financing of terrorism. It is the policy of FAS to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with its policy under the above mentioned resolutions, WFP will use reasonable efforts to ensure that none of the commodities or funds provided by FAS under a project agreement are used to provide support to individuals or entities associated with terrorism.

PART III RECIPIENT'S RESPONSIBILITIES

USDA and WFP consent to define recipient responsibilities on a mutually agreeable basis within 15 calendar days of the signing of this agreement.

PART IV FINAL PROVISIONS

A. This agreement will enter into force upon signature by both parties.

B. This agreement may be terminated at any time by the mutual agreement of the parties, expressed in writing and signed by both parties, or by one of the parties after providing 60 days written notice to the other party. WFP may request an amendment of this agreement

by submitting its request in writing to the Director, Food Assistance Division, FAS. FAS will endeavor to respond to a request for an amendment within 30 days after the date of the written request.

C. The parties agree that this is not intended to be an international agreement governed by international law.

Nothing in this Agreement or any agreement and/or document entered into in connection with this Agreement shall imply a waiver, express or implied, by WFP, the United Nations and the Food and Agriculture Organization of the United Nations of any privileges or immunities enjoyed by them pursuant to the 1946 Convention on the Privileges and Immunities of the United Nations, the 1947 Convention on the Privileges and Immunities of the Specialized Agencies, customary international law, other relevant international or national agreements, or under domestic law.

In witness whereof, the representatives of the parties, duly authorized for the purpose, have signed this agreement.

FOR THE FOREIGN
AGRICULTURAL SERVICE

By: Jocelyn G. Brown

Jocelyn G. Brown
Deputy Administrator
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250

Date: 9/30/16

FOR THE WORLD FOOD PROGRAMME

By: Catherine Feeney

Catherine Feeney
Acting Director, U.S. Relations
U.N./World Food Programme
2121 K Street, N.W., Suite 800-A
Washington, D.C. 20037

Date: 9/30/2016

Attachment A

The World Food Program (WFP) will use the locally-procured commodities and any funds provided by the Foreign Agricultural Service (FAS) to carry out the following project activities in Rwanda.

Purchase Commodities from Smallholder Farmers

WFP will use the pro-smallholder procurement modality to buy beans and maize meal directly from smallholder farmers (SHF) to supply to the homegrown school feeding schools supported by the McGovern Dole Food for Education and Child Nutrition Program (MGD). WFP will take seasonal fluctuations in agricultural harvests into account and commodities will be procured from producers where it is available in better quality and quantity, and prices are reasonable whether within Rwanda or other regional markets such as Tanzania or Uganda.

Connect Smallholder Farmers to New Markets

Since SHFs do not have the capacity to fortify maize meal, WFP will, in addition to purchasing directly from smallholder farmers, promote pro-smallholder procurement by purchasing maize meal and beans through suppliers such as MINIMEX (miller), EAX, SARURA and RGCC under the condition that at least 50 percent of their grains must be procured directly from smallholder farmers, while the remainder could be purchased from intermediary local traders. This aims to widen the market for and connect smallholder farmers to buyers in Rwanda other than WFP. WFP will collaborate with its superintendent agencies for food inspection and quality testing to ensure regional and international quality standards are met.

Connect Farmers to the Patient Procurement Platform

WFP will promote market access for smallholder farmers through facilitation of forward delivery contracts between private-sector off-takers and market-ready farmers' organizations. WFP will target cooperatives with a legal status and limited capacity, to be linked to existing value chain services concurrently with capacity building support. Absent such cooperatives WFP will work with other cooperatives with no legal status or with limited recognition at the lower level of the government structure. WFP will address food security concerns with basic grain handling training and storage at the household level along with support to increase marketable surplus.

Build Capacity for Smallholder Farmers

WFP will train four cooperatives on the procurement of raw materials, processing, and business management and marketing. WFP will facilitate trading and marketing relationships between milling cooperatives, factories and up to 20 other cooperatives for supplying raw materials. In addition, up to 16 of the supported cooperatives will receive training on post-

harvest handling and storage, and warehouse management; organizational governance and management; agricultural markets; business planning, microfinancing; and methods to increase the quality of production to meet food safety and quality standards. The cooperatives that benefited from training in year one will receive coaching on business plan implementation in the second year.

Finally, WFP, with the support of the smallholder farmers, will provide and assist with medium-sized storage equipment. WFP will also impart skills to the local communities to replicate similar facilities through targeted trainings. WFP will provide up to 2,000 smallholder farmers subsidized hermetic storage equipment and related training and technical field support to ensure effective use.

Collaborate with the Government of Rwanda

WFP will advocate, through the agricultural sector working group and other forums, to advance the cause of smallholder farmer integration. WFP will work with the Ministry of Agriculture and Animal Resources and the Rwanda Agriculture Board to advance markets for smallholder farmers in general and by institutional procurement in particular. WFP will draft a strategy for sustainable market access for smallholder farmers to increase procurement by national traders and institutional suppliers.