



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Mercy Corps International
3015 SW First Avenue
Portland, Oregon 97201
Attention: Nicole Demestihias

Subject: Agreement No. DFC-G-00-04-00151-C0

Dear Ms. Demestihias:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (hereinafter referred to as "USAID" or "Grantor") hereby provides to the Mercy Corps International (hereinafter referred to as "MCI," "Grantee," or "Recipient") the sum set forth in Section 1.3 of this Agreement to provide support for West Hararge Livestock Program in Ethiopia, as described in Attachment 2 of this Agreement entitled "Program Description."

This Agreement is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives for the period described in Section 1.2 of this Agreement. USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This Agreement is awarded to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in the attachments listed under my signature below, which together constitute the entire award document, and to which your organization has agreed.

Please sign the original and each copy of this letter to acknowledge your receipt of this award, and return the original and all but one copy to Ms. Sylvia Hooper, U.S. Agency for International Development, Office of U.S. Foreign Disaster Assistance, 1300 Pennsylvania Avenue, N.W., Washington, DC 20523-8602.

Sincerely,

Joseph W. Lentini
Agreement Officer
Office of Procurement
M/OP/DCHA/DOFDA

Attachments:

1. Schedule
2. Program Description
3. ~~Standard Provisions~~
4. ~~Standards for USAID-Funded Communications Products~~

ACKNOWLEDGED: Mercy Corps International (MCI)

By:

Name:

Title:

Date:

Mary Chaffin
Mary Chaffin
Legal Counsel
7/26/04

ACCOUNTING AND APPROPRIATION DATA

A. GENERAL

A.1. Total Estimated USAID Amount	:	\$600,279.00
A.2. Total Obligated USAID Amount	:	\$600,279.00
A.3. Cost-Sharing Amount (Non-Federal)	:	\$-0-
A.4. Cognizant USAID Technical Officer (CTO)	:	See Section 1.11
A.5. Tax I.D. Number	:	91-11149123
A.6. DUNS Number	:	13 417 0547
A.7. LOC Number	:	HHS-55A5P

B. SPECIFIC

B.1.(a) Phoenix Number	:	FR-DCHA OFDA-03053
B.1.(b) NMS Number	:	3053
B.1.(c) Organization ID	:	12504
B.1.(d) Control Number	:	D20041456
B.1.(e) Fund Account	:	FD-X4
B.1.(f) Management	:	BHR-027
B.1.(g) Operating Unit	:	DCHA/OFDA
B.1.(h) Strategic Objective	:	961-001
B.1.(i) Distribution	:	663-DCHA-W
B.1.(j) BGA	:	663
B.1.(k) SOC	:	410000
B.1.(l) Amount	:	\$600,279.00

ATTACHMENT 1 - SCHEDULE

1.1 PURPOSE OF AGREEMENT

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

1.2 PERIOD OF AGREEMENT

(a) The effective date of this Agreement is the date of the cover letter, and the estimated completion date is April 30, 2005.

(b) Subject to the terms and conditions of this Agreement, allowable costs incurred by the Recipient shall be reimbursable during the period beginning on May 1, 2004 and ending on the estimated completion date.

(c) Pursuant to 22 CFR 226.25(e)(2), the requirement for the Agreement Officer's prior approval of extensions to the estimated completion date is hereby waived, subject to the following:

(1) The estimated completion date may be extended one time for up to twelve months.

(2) Written notice, with the supporting reasons and the revised date, is provided to the Cognizant USAID Technical Officer (CTO) identified in Section 1.11 below at least 10 working days prior to the estimated completion date specified above.

(3) The Recipient may not exercise this option for the sole purpose of using unobligated balances.

(4) The extension does not require additional federal funds.

(5) The extension does not involve any changes in the approved objectives or the scope of the project.

(6) For extensions of the estimated completion date of this Agreement for less than three months, the Recipient must receive written acknowledgment of such extension from the CTO. For extensions of the estimated completion date of this Agreement for more than three months but less than twelve months, the Recipient must receive written approval for such extension from the CTO, who may also approve extensions for shorter periods than requested.

(d) All other extensions must be approved by the Agreement Officer. If extended by a formal Modification to this Agreement, paragraph (c) will apply to such formally-extended estimated completion date.

(e) In order to preclude payment problems, the Recipient shall attach a copy of the CTO's acknowledgment or approval under paragraph (6) to all financial reports (see Section 1.5(a) below) which include costs incurred after the estimated completion date set forth in paragraph (a) above (as may be formally amended from time-to-time) but within the period of such unfunded extension.

1.3 AMOUNT OF AGREEMENT AND PAYMENT

(a) The total estimated amount of this Agreement for its full period, as set forth in Section 1.2(b) above, is \$600,279.00.

(b) USAID hereby obligates the amount of \$600,279.00 for the purposes of this Agreement. USAID is not required to reimburse the Recipient for any costs in excess of this amount, nor is the Recipient required to continue performance or incur costs in excess of this amount (including actions/costs under the termination and suspension provisions of 22 CFR 226.60-62). If, pursuant to 22 CFR 226.25(c)(4), the Recipient requests additional USAID funding and USAID determines not to provide such additional funding, the Agreement Officer will, upon written request of the Recipient, terminate this Agreement pursuant to 22 CFR 226.61(a)(2).

(c) Payment shall be made to the Recipient Letter of Credit advance payments in accordance with procedures set forth in Section 1.5(a) below, 22 CFR 226.22, and 22 CFR 226.52.

1.4 AGREEMENT BUDGET

The following is the Agreement Budget for the total estimated amount of this Agreement (see Section 1.3 above) for its full period (see Section 1.2 above). The Recipient may not exceed the total estimated amount or the obligated amount of this Agreement, whichever is less (see Section 1.3, above). Revisions to the budget shall be in accordance with 22 CFR 226.25.

West Hararghe Livestock Program	\$600,279.00
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1.5 REPORTING AND EVALUATION

(a) Financial Reporting

(1) Financial reporting requirements shall be in accordance with 22 CFR 226.22 and 22 CFR 226.52 regarding Letter of Credit advance payments.

(2) In accordance with 22 CFR 226.52, the SF 269 and SF 272 are required on a quarterly basis. The recipient shall submit these forms in the following manner:

(A) The SF 272 and 272a (if necessary) must be submitted via electronic format to the U.S. Department of Health and Human Services (HHS) (<http://www.dpm.psc.gov>) within 45 calendar days following the end of each quarter. A copy of this form shall also be submitted at the same time to the Cognizant Technical Officer (CTO).

(B) Two copies of the SF 269 or 269a (as appropriate) must be submitted to the CTO (one copy marked for DCHA/OFDA/PS, Natalie Shaw). These reports shall be submitted within 30 calendar days from the end of each quarter, except that the final report shall be submitted within 90 calendar days from the estimated completion date of this Agreement.

(3) In accordance with 22 CFR 226.70-72, the original and two copies of all final financial reports shall be submitted to the USAID/Washington M/FM/CMP-LOC Unit. The electronic version of the final SF

272 or 272a may be submitted to HHS in accordance with paragraph (a)(2)(A) above.

(b) Monitoring and Reporting Program Performance

(1) General Requirements

The Recipient shall comply with the Standard Provisions set forth in Attachment 3 of this Agreement entitled "Publications and Media Releases" and "Communications Products."

(2) Program Performance Reports

(A) Program Updates

The Recipient shall provide brief, timely, informal updates to the CTO on a regular basis that provide information such as progress toward accomplishing each objective and achieving expected results, constraints, and changes in the situation. The first program update is due not later than 90 days after the effective date of this Agreement (or within 30 days of the effective date if this Agreement is for less than six months) and will, if not included in the Program Description set forth in Attachment 2 of this Agreement, include performance baseline data which describes the prevailing conditions of a beneficiary population or situation at the onset of the disaster or program, the magnitude of the problem, and/or the needs that the Recipient's program will address. These baseline data will be the starting point for subsequent Program Updates and Results Reporting (see Section 1.5(b)(2)(C) below).

Note: "beneficiaries" means individuals and not families and therefore, if the Recipient is working with families, the report may include data related to both families and the corresponding number of individuals; if data on individual beneficiaries are not available, best estimates shall be provided.

(B) Quarterly Data Collection

If this Agreement is for five months or longer, or is extended beyond five months, the Recipient shall collect and submit the following data to the CTO on a quarterly basis. Due-dates are not later than 30 days after the end of each calendar quarter, except that if the calendar quarter ends within 30 days from the effective date of this Agreement or within 30 days from the estimated completion date of this Agreement, no submission shall be required. The data to be submitted shall be as described in OFDA's "Guidelines for Proposals and Reporting" for each objective, as follows (Note: "beneficiaries" means individuals and not families and therefore, if the Recipient is working with families, the report may include data related to both families and the corresponding number of individuals; if data on individual beneficiaries are not available, best estimates shall be provided):

(i) Number of beneficiaries targeted, by objective, during the reporting period;

(ii) Number of beneficiaries reached, by objective, during the reporting period;

¹http://www.usaid.gov/hum_response/resources/grants/files/guidelines_2002.pdf

objective, to date; (iii) Cumulative number of beneficiaries targeted, by

objective, to date; and (iv) Cumulative number of beneficiaries reached, by

(v) Total numbers of beneficiaries targeted and reached to date (including detail as to whether the same beneficiary population is being served in each objective, e.g., number of beneficiaries targeted and reached in one objective may be 5,000, and in another objective 5,000, but the cumulative total of beneficiaries reached is 5,000 -- not 10,000 -- because it is the same population targeted and reached in each objective);

(C) Annual Results Report

The Recipient shall submit an original and two copies of an annual results report to the CTO covering the period October 1st through September 30th of each year. The due-date for this annual results report is not later than October 31st of each year; however, if a final report has already been submitted for this Agreement in accordance with Section 1.5(b)(2)(D) below, an annual results report is not required. This report shall emphasize quantitative as well as qualitative data, shall measure impact using the indicators established for the program and the baseline data described in Section 1.5(b)(2)(A) above, and shall, at a minimum, include the data described in OFDA's "Guidelines for Proposals and Reporting" for each objective, as follows (Note: "beneficiaries" means individuals and not families and therefore, if the Recipient is working with families, the report may include data related to both families and the corresponding number of individuals; if data on individual beneficiaries are not available, best estimates shall be provided):

(i) A description of assessments and surveillance data used to measure results;

(ii) Total number of targeted and reached beneficiaries for each objective (including detail as to whether the same beneficiary population is being served in each objective, e.g., number of beneficiaries targeted and reached in one objective may be 5,000, and in another objective 5,000, but the cumulative total of beneficiaries reached is 5,000 -- not 10,000 -- because it is the same population targeted and reached in each objective);

(iii) Quantitative and qualitative data that reflect results. The established indicators shall be used to express this information;

(iv) An explanation of successes achieved, constraints encountered, and adjustments made for achieving each objective;

(v) A discussion of the overall performance of the program including details of any discrepancies between expected and actual performance and any recommendations for improving the design of the program;

(vi) Success stories; and

(vii) Overall cost effectiveness shall be addressed, with particular attention paid to cost savings and/or cost overruns; other significant cost impacts such as major exchange rate fluctuations or other types of inflation shall be detailed.

(D) Final Report

(i) The Recipient shall submit an original and one copy of a final report to the CTO. The due-date for this final report is not later than 90 days after the expiration date of this Agreement. This report shall emphasize quantitative as well as qualitative data, shall measure impact using the indicators and baseline data established for the program, and shall, at a minimum, include the information described in Section 1.5(b)(2)(C) above, as follows:

- Total number of targeted and reached beneficiaries for each objective, delineated by the annual periods October 1st through September 30th (including detail as to whether the same beneficiary population is being served in each objective, e.g., number of beneficiaries targeted and reached in one objective may be 5,000, and in another objective 5,000, but the cumulative total of beneficiaries reached is 5,000 -- not 10,000 -- because it is the same population targeted and reached in each objective);
- Cumulative achievements and a comparison of actual accomplishments against the goals, objectives, indicators, and targets established for this Agreement, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.
- Reasons why established goals/targets were not met (if applicable), the impact on the program objective(s), and how the impact has been/will be addressed; and
- Other pertinent information including, when appropriate, success stories (if available) which illustrate the direct positive effects of the program; how unforeseen circumstances affected overall performance compared to original assumptions (if applicable), how activities were accordingly adjusted or re-targeted; and analysis and explanation of cost overruns or high unit costs.

(ii) In accordance with the Standard Provision set forth in Attachment 3 of this Agreement entitled "Publications and Media Releases," the Recipient shall also submit one copy, in electronic (preferred) or paper form, of the annual and final Results Report to one of the following:

By E-Mail: docsubmit@dec.cdje.org

By Mail: USAID Development Experience Clearinghouse
Attn: Document Acquisitions
8403 Colesville Road, Suite 210
Silver Spring, MD 20910

By Fax: (301) 588-7787

On-Line: <http://www.dec.org/index.cfm?fuseaction=docSubmit.home>

In accordance with said Standard Provision, each document submitted should include the following information: (1) descriptive title; (2) author(s) name; (3) award number; (4) sponsoring USAID office; (5) date of publication; and (6) software name and version (if electronic document is sent).

(3) Notifications

The Recipient shall submit two (2) copies to the CTO and one (1) copy to the Agreement Officer of notifications (in writing), as follows:

(A) Developments which have a significant impact on the activities supported by this Agreement; and

(B) Problems, delays, or adverse conditions which materially impair the ability to meet the objectives of this Agreement. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the problem.

(4) In addition to contracts and the CTO, please send copies of the reports to:

Regional Advisor - East Africa
USAID/OFDA/ARO
P.O. Box 30261
Nairobi, Kenya

1.6 AUTHORIZED GEOGRAPHIC CODE

(a) Non-Restricted Goods and Services (Other than Transportation-Related Services)

In addition to local procurement authorized in accordance with the Standard Provision set forth in Attachment 3 of this Agreement entitled "Local Procurement," the authorized geographic code for procurement by the Recipient of non-restricted goods (as defined in paragraph [a]{3} of the standard provision set forth in Attachment 3 of this Agreement entitled "USAID Eligibility Rules for Goods and Services") and services (other than the transportation-related services described in paragraph [b] below) under this Agreement is 935, subject to the order of preference and file documentation requirements set forth in paragraph (b)(1) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services." Geographic codes are available on the internet at: http://www.usaid.gov/policy/ads_200/260mab.pdf.

(b) Transportation-Related Services

(1) Air Travel and Transportation

The Recipient shall comply with the Standard Provision set forth in Attachment 3 of this Agreement entitled "International Air Travel and Transportation."

(2) Ocean Shipments

The Recipient shall comply with the Standard Provision set forth in Attachment 3 of this Agreement entitled "Ocean Shipment of Goods."

(3) Marine Insurance

The Recipient shall comply with 22 CFR 228.23, which is available on the internet at: http://www.access.gpo.gov/nara/cfr/waisidx/03/22cfr228_03.html.

(c) Restricted Goods

With respect to restricted goods (as defined in paragraph (a)(3) of the Standard Provision set forth in Attachment 3 of this Agreement entitled "USAID Eligibility Rules for Goods and Services"):

(d) Motor Vehicles

In purchasing vehicles, the Recipient shall comply with the authorized geographic code set forth in Section 1.6(a) above, the supplier eligibility requirements set forth in paragraph (a)(2) the Standard Provision of this Agreement entitled "USAID Eligibility Rules for Goods and Services" and possibly elsewhere in this Agreement, and the procurement requirements set forth in 22 CFR 226.40-49. With reference to paragraph (a)(3)(ii) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" and ADS-312.5.3b, the Recipient, to the extent that costs for same are included in the budget of this Agreement, is authorized to purchase or enter into a long-term (six months or more) lease for a non-U.S. vehicle(s), subject to the order of preference and file documentation requirements set forth in paragraph (b)(1) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" (unless local procurement is authorized by the Standard Provision set forth in Attachment 3 of this Agreement entitled "Local Procurement") and the following supplemental descending order of preference:

(A) U.S.-manufactured vehicles;

(B) Vehicles assembled in the cooperating country or a Code 941 country using a substantial number of parts and sub-assemblies manufactured in the U.S.;

(C) Vehicles manufactured in any Code 935 country by a subsidiary of a U.S. manufacturer; and

(D) Vehicles manufactured in a Code 935 country by other than subsidiaries of U.S. manufacturers.

(e) Pharmaceutical Products

In purchasing pharmaceutical products, the Recipient shall comply with the authorized geographic code set forth in Section 1.6(a) above, the supplier eligibility requirements set forth in paragraph (a)(2) the Standard Provision of this Agreement entitled "USAID Eligibility Rules for Goods and Services" and possibly elsewhere in this Agreement, and the procurement requirements set forth in 22 CFR 226.40-49. With reference to paragraph (a)(3)(iii) of

the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" and ADS-312.5.3c, and in accordance with a May 1998 memorandum which transferred authority for technical approval of pharmaceutical purchases from M/OP to BHR/OFDA for emergency relief programs, the pharmaceutical products identified in the Recipient's proposal are approved for purchase to the extent that costs for the same are included in the budget of this Agreement, subject to the order of preference and file documentation requirements set forth in paragraph (b)(1) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" and the following Special Provision for Procurement of Medicines and Pharmaceutical Products:

(A) Approval of Pharmaceutical Purchases

(i) The pharmaceuticals as identified in the Program Description (Attachment 2) of this Agreement are hereby approved contingent upon documentation substantiating the purchase of FDA-approved products or documentation substantiating products were obtained through UNICEF. Notwithstanding this approval or any other approvals that may be provided under this provision, any costs incurred in the procurement of product(s) which infringe on an existing U.S. patent shall be disallowed.

(ii) The Recipient shall submit a request for approval to purchase pharmaceuticals from non-FDA-approved sources other than UNICEF, or for pharmaceuticals that are not identified in the Program Description (Attachment 2) of this Agreement, to the CTO, with a copy to the DCHA/OFDA Pharmacist.

(iii) The process for approval will include both approval of types of products (if not already provided) and approval of the source (manufacturer). The request shall contain the following:

- Name, Address, Point of Contact and Telephone Number of the Supplier.
- A listing of all products to be procured with the following information:
 - Generic and Brand Name
 - Strength/Concentration
 - Dosage Form
 - Quantity
 - Unit Package Size
 - Price/Unit
 - Intended Therapeutic Use
 - Source of Purchase including name of manufacturer
 - Country of Origin

(iv) The DCHA/OFDA Pharmacist will notify the CTO, who will, in turn, notify the Recipient whether any products requiring approval under paragraph (B) above, are acceptable for funding. The final approval of the sources cannot be provided until satisfactory documentation is presented to the CTO, with a copy to the DCHA/OFDA Pharmacist, attesting to the safety and efficacy of the product. This information is generally obtained from the Supplier or manufacturer but is usually not made available

prior to purchase. Therefore, the Recipient may need to advance private funds for purchase prior to receipt of final approval. Upon receipt and approval by the DCHA/OFDA Pharmacist of safety and efficacy documentation, the CTO will provide written notice that the pharmaceuticals are allowable costs under this Agreement. The CTO's approval must be within the scope and objectives, and all other terms and conditions, of this Agreement, and shall not serve as USAID approval to exceed the total estimated amount of this Agreement, nor shall it be construed as authorization for any budget or program adjustment for which the Agreement Officer's approval is required pursuant to 22 CFR 226.25.

(B) Special Requirements

In accordance with Special Provision 40.1 and 40.2 of the USAID Commodity Eligibility Listing (available on the worldwide web at: <http://www.usaid.gov/pubs/ads/300/31251m.pdf>), procurement of pharmaceutical and related products must meet the following requirements:

(i) Expiration Dates

Not more than 1/6 of full dating periods from 1 to 18 months, nor 1/3 of full dating periods of more than 18 months shall have expired on the date of shipment.

(ii) Documentation Required for Reimbursement

A certificate, by or for the Supplier, endorsed on or attached to their invoice, as follows:

For FDA-Approved Pharmaceutical Products:

"The undersigned supplier, or agent acting in behalf of and authorized to bind the supplier, agrees with and certifies that product(s) are in compliance with special requirements regarding expiration dates [see (2)(A) above] for USAID financing of drug substances and/or products, and guarantees that on date of shipment each item for which payment is now claimed was not adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act, and is not an article which may not, under provision of Sections 404 or 505 of that Act, be introduced into interstate commerce. The supplier or agent will, with respect to such guarantee, make full and complete refund of any sum received for any product which is the subject of such a violation."

For Non-FDA Approved Pharmaceutical Products:

"Supplier/agent certifies that at the time of the shipment, product(s) are in compliance with special requirements regarding expiration dates [see (2)(A) above] for USAID financing of drug substances and/or products. Supplier/Agent

guarantees that each item for which payment is now claimed was in compliance with the World Health Organization's Good Manufacturing Practices and Standards. With respect to such guarantee, Supplier or Agent will make a full and complete refund of any sum received for any product which does not comply with this certification."

(C) Definition

USAID's Automated Directives System (ADS) Glossary defines pharmaceuticals as any substance intended for use in the diagnosis, cure, mitigation, treatment, or prevention of diseases in humans or animals; any substances (other than food) intended to affect the structure or any function of the body of humans or animals; and, any substance intended for use as a component in the above. The term includes drugs, vitamins, oral rehydration salts, biologicals, and some in-vitro diagnostic reagents/test kits; but does not include devices or their components, parts, or accessories.

(D) Noncompliance

Failure of the Recipient to comply with this provision may result in disallowed cost in accordance with 22 CFR 226.27.

(f) Seeds (Agricultural Products)

In purchasing seeds, the Recipient shall comply with the authorized geographic code set forth in Section 1.6(a) above, the supplier eligibility requirements set forth in paragraph (a)(2) the Standard Provision of this Agreement entitled "USAID Eligibility Rules for Goods and Services" and possibly elsewhere in this Agreement, and the procurement requirements set forth in 22 CFR 226.40-49. With reference to paragraph (a)(3)(i) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" and ADS-312.5.3a, the Recipient, to the extent that costs for the same are included in the budget of this Agreement, may purchase the seeds identified in its proposal, subject to the order of preference and file documentation requirements set forth in paragraph (b)(1) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" (unless local procurement is authorized by the Standard Provision set forth in Attachment 3 of this Agreement entitled "Local Procurement") and the following Seed Grower's Certification Requirements:

(A) The Recipient shall obtain from the suppliers of all seeds procured under this Agreement a "SEED GROWER'S CERTIFICATE", which attests to the following:

(i) The seed was grown in (Name of Country).

(ii) The seed was sampled by an official of, and tested in, a laboratory of (Name of Country & City).

(iii) The seed was put up in packages of containers used by end-users, labeled with all of the following:

- Seed lot number;
- Kind, or kind and variety;
- Weed seeds;
- Inert matter;
- Germination and hard seed;
- Names and rates of noxious weed-seed occurrence (which must conform to the laws of the importing country);
- Month/year in which purity and germination tests were completed; and
- If seed was treated, chemicals with which treated and cautionary statement, if advisable.

(iv) Not more than twelve (12) calendar months have elapsed since the last day of the month when germination tests were completed (when seed is packaged in hermetically sealed containers).

(v) Samples of the shipping lot will be retained for one (1) year by the {Grower}, and a copy of the laboratory purity and germination test analysis will be retained by the laboratory for not less than three (3) years.

(B) The laboratory report shall be prepared under the letterhead of the laboratory, dated, and signed by a person, such as a seed technologist, making the analysis, and shall be attached to the "SEED GROWER'S CERTIFICATE".

(C) The "SEED GROWER'S CERTIFICATE" shall be issued under the letterhead of the Grower. It shall identify the Supplier's transaction by letter of credit number and bank, and identify the lot involved. The Certificate shall be dated and signed by an individual authorized to bind the Grower and shall be issued to the Supplier.

(D) The documents provided under this provision shall be available in English for audit purposes. If the Recipient cannot obtain a Seed Grower's Certificate, the Recipient shall document its files to indicate what quality assurance practices were followed in lieu of the certification.

(E) Failure of the Recipient to comply with the above provisions may result in disallowed costs in accordance with 22 CFR 226.27.

1.7 TITLE TO AND USE OF PROPERTY

Title to property financed under this Agreement shall vest in the Recipient, subject to the requirements of 22 CFR 226.30-37.

1.8 PROGRAM INCOME

Any Program Income earned under this award shall be additive to the USAID and other contributions provided hereunder. The Recipient shall account for Program Income in accordance with 22 CFR 226.24.

1.9 INDIRECT COSTS

Pursuant to the Standard Provision set forth in Attachment 3 of this Agreement entitled "Negotiated Indirect Cost Rates - Provisional (Nonprofits)," an indirect cost rate or rates shall be established for each of the Recipient's accounting periods which apply to this Agreement. Pending establishment of final or revised provisional indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional rate(s) and the appropriate base(s):

<u>Type</u>	<u>Rate</u>	<u>Base</u>
Provisional	15.50%	a)

Base of Application:

a) Total direct costs excluding capital expenditures (valued at over \$5,000 per item), material aid (donated goods), and monetized material aid included in other program expenses, all freight costs associated with Title II emergency commodities (ocean and internal transport storage and handling), loan principal costs, all non-US NGO sub-award costs, and costs in excess of \$25,000 on other sub-awards.

1.10 RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Agreement shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Attachment 3 - Standard Provisions
- Attachment 4 - Standards for USAID-Funded Communications Products
- Attachment 2 - Program Description

1.11 POST-AWARD AGREEMENT ADMINISTRATION

(a) Cognizant USAID Technical Officer (CTO)

The CTO for this Agreement is:

Kasey Channell
DCHA/OFDA
U.S. Agency for International Development
1300 Pennsylvania Avenue, N.W.
Room 8.06
Washington, DC 20523-2052

(b) Agreement Officer

The USAID Agreement Officer is:

Mr. Joseph Lentini
M/OP/DCHA/DOFDA
U.S. Agency for International Development
1300 Pennsylvania Avenue, N.W.
Room 7.09
Washington, DC 20523-7100

(c) Payment Office

The USAID payment office for this Agreement is:

M/FM/CMPD/DCB
U.S. Agency for International Development
1300 Pennsylvania Avenue, N.W.
Room 7.07
Washington, DC 20523-7100

1.12 SPECIAL PROVISIONS

(a) Insurance

Pursuant to Section J.21. of OMB Circular A-21 (for educational institutions) or Section 22 of Attachment B of OMB Circular A-122 (for nonprofit organizations other than educational institutions), the insurances normally carried by the Recipient and those insurances identified in the Recipient's proposal are reimbursable under this Agreement provided that they are otherwise allowable, reasonable, necessary, and allocable and comply with the terms and conditions of this Agreement.

(b) Communications Products

Pursuant to the Standard Provision set forth in Attachment 3 of this Agreement entitled "Communications Products," whereunder the Agreement Officer must approve certain communications products and must approve deviations from the standards for communications products (as set forth in Attachment 4 of this Agreement), the Agreement Officer does, hereby, delegate such approval authority to the CTO. In turn, the CTO must have the concurrence of USAID/Washington, LPA, prior to providing such approvals. Any such approvals shall not serve to change any other terms and conditions of this Agreement.

(c) Terminology

Throughout this Agreement, the following terms may be used interchangeably: (a) "Grant Officer" and "Agreement Officer;" (b) "Grantee," "Recipient," and "Awardee;" (c) "Grant," "Cooperative Agreement," "Agreement," and "Award;" (d) "Cognizant Technical Officer," "Project Officer," and "Activity Manager;" (e) "Subaward," "Subgrant," and "Subagreement;" and (f) "Subrecipient," "Subgrantee," and "Subawardee." All references to dollars (\$) mean U.S. dollars or the equivalent thereof in another currency.

(d) Anti-Terrorism

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 subcontracts/subawards issued under this Agreement. For further information, see <http://www.treas.gov/ofac>.

1.13 COST-SHARING (MATCHING)

The Recipient agrees to expend an amount not less than \$98,123 of the total program cost and/or as may be provided-for in Section 1.9. above for financing by the Recipient and/or others from non-federal funds in accordance

with 22 CFR 226.23. Failure to meet these requirements shall be handled in accordance with the Standard Provision set forth in Attachment 3 of this Agreement entitled "Cost-Sharing (Matching)."

ATTACHMENT 2 - PROGRAM DESCRIPTION

The Recipient's proposal entitled "West Hararghe Livestock Program," and dated April 13, 2004, is attached hereto as the Program Description (Attachment 2) and is made a part of this Agreement.

NAME OF ORGANIZATION:	Mercy Corps
SUBMISSION DATE:	April 13, 2004
US CONTACT:	Name: Nicole Demestihas Address: 3015 SW First Avenue; Portland, Oregon; 97201 Phone: 503-471-2493 Fax: 504-796-6843 Email: ndemestihas@mercy Corps.org

Program Title: West Hararge Livestock Program
Country: Ethiopia
Type of Disaster/Hazard: Drought Relief, Recovery, & Mitigation
Proposed Period of Activity: Twelve Months
Proposed Start Date: May 1, 2004
Number of Beneficiaries: 75,000

Dollar Amount Requested from OFDA:	S	600,279
Dollar Amount from Other Sources	S	98,123
Other Contributions	S	N/A
Total Dollar Amount of Program	S	698,402

PROGRAM PROPOSAL

I. Executive Summary

Mercy Corps proposes to implement a 12-month, **US\$600,000** program in two Woredas¹ of West Hararge Zone, Oromiya Region to preserve and enhance the asset base of agro-pastoral families in the aftermath of severe drought. The vaccination of **200,000** head of cattle and camels against four livestock diseases will enable agro-pastoral families to preserve those domestic animals that represent high value assets in terms of draft power, hauling capacity, cash value, and value-added product development. **Moreover, the establishment of a pilot forage production nursery and of two private veterinary service provision businesses will enhance the long-term prospects of the livestock sector by reducing the susceptibility of pastoral communities to shocks.**

At the same time, the West Hararge Community Water and Livestock Program will build the capacity of agencies and community groups to mitigate the effects of future drought: the capacity of community-based extension agents (Animal Health Technicians and Development Agents) will be increased; Bureau of Agriculture training methodologies will be improved; fodder nurseries and seedling dissemination will bolster agro-pastoral communities against natural shocks; **and, the private veterinary service providers will improve the range and scope of preventative animal health care.**

¹ Woredas are Ethiopian Government administrative entities which are subordinate to Regional level institutions

The West Hararge Community Water and Livestock Program will benefit approximately 75,000 beneficiaries in Mieso and DaroLabu through short and long-term livestock sector activities.

II. Program Rationale

A. Background

The 2002-2003 drought in Ethiopia brought about severe declines in livelihood resilience in many parts of the country and affected 1.1 million of West Hararge's 1.7 million inhabitants. While the international community's emergency response was quick and effective, and although rains in the fall of 2003 were substantial, the inhabitants of West Hararge are still faced with immediate challenges. Moreover, an arduous recovery process lies ahead and communities do not possess the necessary community-level systems or institutions to mitigate the effects of future drought or to affect sustainable food security.

Mercy Corps proposes to support the relief and recovery process and to foster community-based systems that will mitigate the effects of future crises by bolstering and enhancing the community asset base of selected Peasant's Associations (PAs) in two of West Hararge's Woredas. Specifically, Mercy Corps will work with Woreda-level partners to preserve high value livestock assets while piloting activities to reduce the susceptibility of the livestock sector to shocks. This intervention will aid in emergency recovery, boost productivity, empower communities to address their own needs, and build systems and resources that can mitigate the effects of future crises.

The argument for livestock interventions in West Hararge is strong. West Hararge is home to approximately 2.2 million head of livestock, including 1,000,000 head of cattle and over 33,000 camels.² These animals contribute considerably to West Hararge's agro-pastoral society and are an important component of securing livelihoods: in addition to being identified as high value household assets and producing value-added products, cattle provide draught power for agricultural cultivation and camels link agro-pastoralists to markets through their great capacity as beasts of burden.

Unfortunately, the livestock populations of West Hararge have been compromised by drought. In addition to the already considerable threats posed by internal parasites, external parasites, and increased vulnerability to disease due to the effects of drought, camels and cattle in the region have been subjected to recent outbreaks of bovine pastoralosis and lump skin disease and remain vulnerable to diseases such as anthrax and black leg. Fifty-five thousand head of livestock have perished in West Hararge in the past year due to drought-induced inflictions, and many more have been weakened.³ Nutrient absorption is reduced by 70% due to the presence of parasites, and the 2002-2003 drought has increased the susceptibility of camels and cattle to infection and disease. In implementing livestock projects, Mercy Corps will target the Woredas of Mieso and DaroLabu, which have been identified by zonal Bureau of Agriculture officials as being top

² Ibid.

³ Source: West Hararge Zonal Bureau of Agriculture (Asebetafan).

priority sites: Mieso is home to 102,000 head of cattle and almost 20,000 camels; DaroLabu is home to nearly 300,000 head of cattle and 3,000 camels.⁴

The proposed West Hararge Livestock Program for Ethiopia was developed based on our recent field assessment (conducted Fall 2003) in close coordination with very receptive governmental officials at all levels, other NGOs, and community focus groups. Priorities expressed through extensive discussions with a mosaic of stakeholders informed the proposal development process. Thus, Mercy Corps feels confident that these groups will prove to be strong cooperative counterparts in implementing the program. Moreover, the livelihood security challenges of Ethiopia clearly align with some of Mercy Corps' core strengths: capacity building of government agencies, community development, livestock sector development, and drought relief, recovery, and mitigation. Focused regional expansion into countries where Mercy Corps already has a presence nearby, and creating linkages between programs, will likely have a larger impact upon development in Africa overall. The constellation of these factors strongly influenced Mercy Corps decision to respond to this Annual Program Statement.

B. Demographic Profile of Targeted Population

Out of a total human population of 1.7 million, the populations of DaroLabu and Mieso are approximately 120,000 and 105,000, respectively. Approximately 33% of these populations will benefit from the West Hararge Community Water and Livestock programming at a cost of approximately US\$8 per beneficiary. The highest population concentration is found in the highland areas where the physical conditions are conducive to sedentary farming. On the other hand, the lowland areas of DaroLabu (30.2 persons/km²) and parts of Mieso (42.7 persons/km²) are found to be more sparsely populated, often by pastoralists. Rural household size is approximately 5.1 persons in the zone and the number of males per 100 females is 106.2.⁵ The distribution of population by age indicates that 47% of the population is below the age of 15, while 2.7% is above 65 years. The remaining 50% of the total population are in the economically active age group of 15-64 years.⁶ This means that every active person supports one economically inactive person in the target areas. In terms of the ethnic landscape, residents of West Hararge, including the target geographic zones of DaroLabu and Mieso, are predominately ethnic Oromo. Mieso is also home to small populations of ethnic Somali and Afar.

Mercy Corps and the Bureau of Agriculture will focus on vulnerable households that have been hard hit by the drought in targeting beneficiary families from among the total population. In the context of West Hararge, these **beneficiary selection criteria include:**

- **Households that have lost at least 25% of their herds to disease since the beginning of 2003**
- **Households that enjoy few off-farm sources of income**
- **Households that are headed by females or include large numbers of children less than five years of age**

⁴ Source: West Hararge Zonal Atlas, First Edition. Planning and Development Office of West Hararge Administrative Zone. Chiro, 2000.

⁵ Ibid.

⁶ Ibid.

- **Households located in remote areas that suffer from reduced access to markets and veterinary services**

While prioritizing these vulnerable groups, Mercy Corps will strive to achieve a gender and ethnic balance wherever possible throughout the proposed activities.

C. Coordination

In implementing the West Hararge Livestock Program, Mercy Corps will coordinate extensively with Oromiya regional officials, the West Hararge Bureau of Agriculture and Woreda-level Bureaus of Agriculture. Additionally, Mercy Corps will concentrate upon cooperative partnerships with Woreda-level Animal Health Technicians (AHTs), Development Agents (DAs) and selected **private veterinary service providers** to build sustainable grass-roots emergency recovery and preparedness capacity.

During Mercy Corps' recent assessment, all colleague agencies with whom Mercy Corps spoke – and many governmental officials – commented on a lack of coordination between INGOs operational in Ethiopia. Thus, Mercy Corps intends to emphasize the role of coordination in effective programming throughout the life of the West Hararge Livestock Program. Mercy Corps will coordinate with colleague agencies active and experienced in the region, including CARE, Oxfam GB, the Hararge Catholic Secretariat (HCS), IRC, ICRC, and GOAL. At the same time, Mercy Corps will consult with sectoral authorities such as GTZ and Farm Africa. All activities will be implemented in coordination with the Disaster Preparedness and Prevention Commission (DPPC) so as to maximize effectiveness and avoid programmatic redundancy or duplication. In addition, the assessment also indicated that there is a clear gap in addressing proposed sectoral relief and recovery needs in the targeted Woredas; therefore there will be no duplication of efforts for the proposed activities.

D. Developmental Relief

The West Hararge Livestock Program focuses specifically on the special needs of developmental relief programming. While protecting the rural livestock asset base against disease, the program also focuses upon strengthening **public and private** management structures that will empower PAs to increase productivity and mitigate the effects of future drought. In short, the West Hararge Livestock Program will contribute to the following components of developmental relief:

- **Livelihoods** –through the protection and strengthening of high-value livestock assets and the improvement of preventative animal health care (which provide draught power, market linkages, and income generating opportunities for rural households);
- **Prevention, mitigation, and preparedness** – through the encouragement of systems and technologies that have the capacity to adjust to future crises, specifically via the introduction of Woreda-level forage production;
- **Use of existing local capacity/local community interaction** – through intensive cooperation with grass-roots level extension agents such as Animal Health Technicians and Development Agents, and **through the establishment of veterinary service provision businesses**. Where possible, Mercy Corps will also utilize multi-ethnic management groups to enhance cooperative interaction between Oromo and Issa ethnic groups;

- Training/capacity building – through capacity building work with the Bureau of Agriculture, the purpose of which is to increase operational capacity, improve training methodologies and community outreach, and support preventative measures (such as forage production) at the Woreda-level.

III. Proposal Framework

A. Program Goal

Shock resistant and productive agro-pastoral communities in the West Hararge zone of Oromiya Region.

B. Critical Assumptions

1. Animal Health Technicians, Development Agents, and Woreda Bureaus of Agriculture have the operational capacity to realize a wide-ranging vaccination campaign;
2. Forage production and seedling planning/dissemination will be managed in a sustainable manner by communities and Woreda Bureaus of Agriculture.
3. **Livestock owners are willing to pay for quality preventative veterinary care.**

In order to mitigate the risks associated with these critical assumptions, Mercy Corps proposes to take the following steps:

1. In order to enhance operational capacity in the short-term, Mercy Corps will provide Woreda Bureaus of Agriculture with motorbikes, and will support Animal Health Technicians (AHTs) and Development Agents (DAs) in their outreach/vaccination activities. In the long-term, Mercy Corps will build the capacity of Woreda Bureaus of Agriculture to train AHTs and DAs effectively so as to ensure that extension agents have the skills and information necessary to serve their communities;
2. In collaboration with Bureaus of Agriculture, AHTs, DAs, and communities, Mercy Corps will work to map-out equitable forage seedling dissemination schemes, such that forage seedlings will be transplanted from the Woreda-level pilot nursery in a quantity and manner that ensures sufficient forage production and spacing. Mercy Corps will also work with communities and Woredas to ensure that transplanted forage trees will be utilized in a sustainable and/or income-generating manner during non-drought years;
3. **Mercy Corps will work with the Bureau of Agriculture to assess appropriate PAs for private veterinary service provision businesses, and will disseminate information through AHTs regarding the benefits of consistently available preventative animal health care.**

C. Objectives and Expected Results

Objective 1: Improved Health Status for 200,000 Head of Cattle and Camels

Expected Result: 200,000 head of cattle and camels in DaroLabu and Mieso receive emergency veterinary services, including vaccines for internal & external parasites, black leg or lump skin disease, bovine pastoralosis, and anthrax

Expected Result: The capacity of 2 Agriculture Bureaus, 35 Development Agents, and 10 Animal Health Technicians is increased in terms of community outreach, training methodologies, and information dissemination in 2 Woredas

Objective 2: Improved availability of livestock health services and the creation of an animal fodder safety net

Expected Result: 1 pilot fodder nursery established (in either Mieso or DaroLabu) to contribute to a sustainable animal feed safety net during dry years

Expected Result: 1 Bureau of Agriculture trained to manage a productive fodder nursery using indigenous legume tree species. 1 Bureau of Agriculture is trained to work with communities to map and plant legume trees in a manner that ensures equitable access during dry years and sustainable management during wet years

Expected Result: 2 private veterinary service providers are trained and equipped to improve the range and scope of preventative animal health care

D. Indicators and Performance Baseline Data

Before initiating West Hararge Livestock Program implementation, Mercy Corps will collect baseline data using a **Pastoral Knowledge, Practices and Coverage (KPC) Survey**. Data from this survey will be used to measure the knowledge, practices, preferences, and coping mechanisms of agro-pastoral families.

Using this survey and ongoing project monitoring, Mercy Corps will track the following performance indicators:

1. Number of cattle and camels vaccinated against major illnesses;
2. Number of Agriculture Bureaus, DAs, and Animal Health Technicians trained in the 3 Woredas;
3. **Changes in agro-pastoralist attitudes towards preventative animal health care, payment for vaccinations, rangeland management, information access, and forage management (% increase against baseline);**
4. Number of hectares planned for legume seedling plantations within one year;
5. **Number of PAs in which legume tree utilization and contingency plans have been formulated and disseminated**
6. **Average number of customers served per private veterinary service provider per month.**

IV. Program Description

Mercy Corps proposes to implement a drought relief, recovery, and mitigation program in two Woredas of the West Hararge Zone (Oromiya Region) to meet critical needs in a sustainable manner. The goal of the West Hararge Livestock Program is **shock resistant and productive agro-pastoral communities. Mercy Corps proposes to increase livelihood security by protecting the valuable rural livestock asset base.** In conjunction with this measure, Mercy Corps sees an opportunity to initiate systems that will help mitigate chronic effects of future drought by increasing the coverage of drought-resistant forage trees in selected Peasants Associations (PAs). All program activities will be accompanied by capacity building initiatives that aim to strengthen community outreach, Woreda-level Bureaus of Agriculture, and community organization.

The zone of West Hararge has been selected for several reasons:

1. The Oromiya Region is considered to be a priority region by OFDA Ethiopia, UN agencies, and other NGOs;
2. Within the Oromiya Region, West Hararge is one of the zones singled out in regional government strategy papers as especially vulnerable;
3. Parts of West Hararge (including Mieso and DaroLabu) are identified by WFP as "first priority" areas in terms of food security and as priority Woredas by OFDA.

Mercy Corps' proposed interventions are described briefly below:

Objective 1: Improved Health Status for 200,000 Head of Cattle and Camels.

Although small ruminants constitute an important component of agro-pastoral livelihoods, cattle are the most widespread and multi-purpose domestic animals found in West Hararge. Forty-five percent of the domestic animals present in West Hararge are cattle⁷, and these cattle serve several valuable functions: in addition to providing draught power, cattle provide value-added production (in terms of milk, cheese, and leather), and are high-value animals in terms of market price and meat production. In addition to cattle, camels are important domestic animals that provide both market linkages (insofar as produce and other goods are often brought to market on camel back), income-generating opportunities (camels can be rented out for the purposes of hauling heavy loads), and market value (camels are the highest value livestock asset in the region). As such, the protection of cattle and camel health represents a reinforcement of the agro-pastoral asset base. This is especially true in the post-drought environments of Mieso, GubaKoricha, and DaroLabu, where livestock health has been depleted by extended periods of reduced fodder and contaminated water, and where coping mechanism have left many households financially compromised.

There are approximately 300,000 head of cattle in DaroLabu, and 102,000 head of cattle in Mieso. Additionally, there are approximately 20,000 camels in Mieso, and 3,000 camels in DaroLabu. Mercy Corps proposes to work with Woreda-level Bureaus of Agriculture in order to select 50% of these animals for vaccination (**approximately 200,000 animals**) while targeting the most vulnerable agro-pastoral families. Beneficiary families will be selected according to

⁷ Source: West Hararge Zonal Atlas, First Edition. Planning and Development Office of West Hararge Administrative Zone. Chiro, 2000.

vulnerability; in the context of West Hararge, this means that female-headed households, households with high numbers of children under five years of age, households in which duties fall to the sick or elderly, or households highly dependent upon pastoral-based livelihoods (as opposed to a mixed agro-pastoral system) will be prioritized. Livestock from selected households will be vaccinated against common diseases, including black leg, bovine pastoralosis, anthrax, and lump skin disease; however, Mercy Corps will also ensure that the animals are vaccinated against internal and external parasites, thereby emphasizing preventative – as opposed to reactive – animal health protection measures. The inclusion of vaccines against internal and external parasites will also ensure that cattle and camels are able to make use of the nutrients absorbed during grazing, which will lead to gains in animal strength, endurance, weight, and value.

All vaccination activities will be coordinated through Woreda-level Bureaus of Agriculture, and will be implemented in partnership with grass roots extension agents (Animal Health Technicians and Development Agents). The Bureau of Agriculture has considerable experience conducting vaccination campaigns, and will provide all necessary cold-chain arrangements, although a cold-chain will be required only in the case of vaccinations for black leg and lump skin disease. Mercy Corps will work with these partners to improve the logistical and operational capacity of Animal Health Technicians; improve the methodologies used by Bureaus of Agriculture to train Animal Health Technicians and Development Agents, and, by extension, communities; and to disseminate information to agro-pastoral households about livestock health best-practices. Where applicable, Mercy Corps will also support the Bureau of Agriculture's attempts to recover vaccination costs in order to render annual vaccination campaigns more sustainable.

Objective 2: Improved availability of livestock health services and the creation of an animal fodder safety net

Since livelihood security is inexorably linked with livestock health in the region, Mercy Corps intends to create a sustainable animal feed safety net to compliment livestock services and help local government and communities to mitigate the effects of future drought and chronic relief requirements. One such opportunity is the facilitation of Woreda-level pilot forage production nursery and the subsequent dissemination of seedlings from this nursery throughout vulnerable PAs.

Mercy Corps will assist in the establishment of one fodder nursery in **Mieso or DaroLabu**. **The final location of this nursery will depend upon discussions with regional and Woreda-level Bureau of Agriculture officials.** This nursery will be designed to produce approximately 25,000 seedlings per year, and will focus upon the production of legume tree seedlings (Lucinia, Gravillea, and Sesvania). Legume trees are indigenous and drought-resistant, and as such represent an excellent source of fodder for livestock during dry years. Lucinia and Gravillea seedlings will be gathered locally (i.e. within the West Hararge zone), while Sesvania seedlings will be obtained from other regions of Ethiopia. These seedlings will be nurtured in the pilot nursery outfitted with shallow wells and ground pumps for irrigation purposes. The nursery will be overseen by Woreda-level Bureau of Agriculture officials, but Mercy Corps will assist throughout the duration of the program. (including establishing an irrigation system and covering running costs for the first year of operation). It is anticipated that, within this 12-month period, the zonal Bureau of Agriculture will begin to support the nurseries and the Woreda Bureaus of Agriculture will begin to explore cost recovery mechanisms. Over the life of the program, Mercy

Corps will also work with Woreda level Bureaus of Agriculture in order to investigate and begin implementing viable cost recovery mechanisms. One such cost recovery mechanism would be the harvesting and sale of legumes in non-drought years.

It has often been averred that agro-pastoral communities view assistance to livestock as equally important to food aid during drought-induced food security crises, as this assistance allows agro-pastoral households to maintain their asset base and retain income-generating opportunities. Strategically planted fields of legume trees, therefore, would provide communities with a contingency source of fodder when traditional crops fail and shrub land is rendered less productive. To this end, Mercy Corps and the Bureau of Agriculture will work with PAs (via Development Agents and **Participatory Learning and Action methodologies**) to map hillsides and gullies for legume tree cultivation, and will then work with community members to prepare plans to plant legume trees on an annual basis. With time, these plantations will become a viable source of emergency fodder for livestock in the PAs selected, and should produce enough legumes in non-drought years so as to render nurseries sustainable and increase the breadth of seedling dissemination programs.

During the course of the program, Development Agents will work with community members to formulate viable seedling dissemination and legume tree user schemes, and coordinate with Mercy Corps and the Bureau of Agriculture to ensure that these schemes are carried out. This strategy will also lead to benefits from increased forestation - and therefore decreased erosion and desertification - in targeted PAs. In Mieso, Mercy Corps will explore the possibility of a Woreda-level nursery that is managed by a multi-ethnic management team (Oromo and Issa) in order to interweave conflict mitigation mechanisms with outputs that have practical impacts upon the livelihoods of both ethnic groups.

In addition to working with the Bureau of Agriculture to pilot a legume tree forage safety net scheme, Mercy Corps will establish two private veterinary service provision businesses. Service provider candidates will be selected by the Bureau of Agriculture and successful candidates will be chosen by a group of their peers. One veterinary service provision business will be established in each Woreda (Mieso and DaroLabu). Using methodologies piloted successfully by FAO in South Sudan and by Mercy Corps in the Caucasus, Mercy Corps will equip and train service providers, who will then be linked to MoA veterinary supply chains. Each para-vet service provider will be provided with a motorcycle, a thermal box for the transportation of veterinary drugs, and a supply of veterinary accessories. In addition to para-vet training curriculum, private service provider curriculum will include:

- **Business plan development**
- **Basic accounting and business management**
- **Recommended preventative animal health measures**
- **Veterinary business ethics**
- **MoA supply chain logistics**
- **Veterinary drug cold chain requirements**

The methodology of establishing small private enterprises is intended to encourage the incentive-based provision of preventative animal health in traditionally underserved

regions. This methodology will also pilot cost recovery mechanisms that can have multiplier effects throughout the region and, by extension, improve veterinary service coverage and community knowledge of preventative animal health practices.

A. Implementation Plan (Logical Framework)

Please refer to the logical framework on the following page.

WEST HARARGE PROGRAM LOGICAL FRAMEWORK
MERCY CORPS ETHIOPIA

Goal: Shock resistant, healthy, and productive agro-pastoral communities in West Hararge of Oromiya Region.

Objectives	Key Outputs	Major Activities	Indicators
<p>1) Improved Health Status for 200,000 Head of Cattle and Camels</p>	<p>1) 200,000 head of cattle and camels in DaroLabu and Mieso receive emergency veterinary services, including vaccines for internal & external parasites, black leg or lump skin disease, bovine pastoralosis, and anthrax</p> <p>2) The capacity of 2 Agriculture Bureaus, 35 Development Agents, and 10 Animal Health Technicians is increased in terms of community outreach, training methodologies, and information dissemination in 2 Woredas</p>	<p>1) Identify beneficiaries and administer vaccines for major livestock illnesses.</p> <p>2) Design and implement training series for Ag. Bureau staff, DAs, and Animal Health Technicians; enhance operational capacity of Woreda Bureaus of Agriculture.</p>	<p>1) Number of cattle and camels vaccinated against major illnesses.</p> <p>2) Number of Agriculture Bureaus, DAs, and Animal Health Technicians trained in the 3 Woredas;</p> <p>3) Changes in agro-pastoralist attitudes towards preventative animal health care, payment for vaccinations, rangeland management, information access, and forage management (% increase against baseline):</p>
<p>2) Improved availability of livestock health services and the creation of an animal fodder safety net</p>	<p>1) 1 pilot fodder nursery established (in either Mieso or DaroLabu) to contribute to a sustainable animal feed safety net during dry years</p> <p>2) 1 Bureaus of Agriculture trained to manage a productive fodder nursery using indigenous legume tree species; 1 Bureaus of Agriculture is trained to work with communities to map and plant legume trees in a manner that ensures equitable access during dry years and sustainable management during wet years</p> <p>3) 2 private veterinary service providers are trained and equipped to improve the range and scope of preventative animal health care</p>	<p>1) Select sites and establish 1 pilot nurseries with the Bureau of Ag. using indigenous fodder trees</p> <p>2) Train Bureaus in care and maintenance of fodder nurseries</p> <p>3) Develop plans for seedling dissemination in non-drought years and fodder allocation under emergency conditions.</p> <p>4) Select, train and equip two private veterinary service providers.</p>	<p>1) Number of hectares planned or planted for legume seedling plantations within one year.</p> <p>2) Number of PAs in which legume tree utilization and contingency plans have been formulated and disseminated.</p> <p>3) Average number of customers served per veterinary service provider per month</p>

Institutional Capability and Past Performance

In terms of fodder development and livestock rehabilitation, Mercy Corps has years of experience working with government ministries, other NGOs, the private sector, and rural farmer's associations. Work has focused on the provision of animal health services via the training of Basic Veterinary Workers (BVW), the setup of private sector Veterinary Field Units, range management, fodder development, and emergency livestock feeding activities. Three of our most successful program examples are currently operating in Lebanon, Azerbaijan and Afghanistan with our newest program beginning in Eritrea.

- Since 1997, the pioneering Rural Cluster Development program in Lebanon has directed approximately \$9,697,741 dollars to support farmer training and demonstration of improved feed crops and livestock variety. For seven years, Mercy Corps has increased protection and productivity of farmer's groups located in Lebanon's poorest areas by targeting this critical need identified by the farmer's themselves.
- In Azerbaijan, the Cluster Access to Business Services program has recently affirmed the viability of facilitation versus direct services. Here again, farmer cluster development enabled Mercy Corps staff to customize information activities that have significantly increased local application of the veterinary and production services and training provided.
- In Afghanistan, fodder development is implemented by twelve month long training modules led by Agricultural and Pastoral Innovators who engage neighboring farmers in exploring new agriculture techniques through on-farm or range demonstrations. Beyond providing instruction on best practices, the Innovators also serve as links to the Department of Agriculture and Livestock and credit institutions.

Together, these three programs are currently investing 32 million dollars in communities to support 2,043,136 rural beneficiaries. Mercy Corps' highly detailed Basic Veterinary Worker training manuals first written ten years ago by Dr. David Sherman (current President of FARM-Africa) for our programs in Southern Afghanistan have become the practical guidelines for veterinary training and fodder development country-wide. Because of the universal practicality of the training manuals Mercy Corps understands that the manuals have also been adopted in many locations throughout Africa. With such positive feedback, Mercy Corps anticipates incorporating animal fodder development into many more of its rural programs.

In the Horn of Africa, Mercy Corps engages in a number of livelihood programs in Eritrea in close coordination with the government, local NGOs, communities and the private sector. One of the most recent integrated programs being implemented by Mercy Corps in Eritrea is an emergency livestock drought relief, recovery, and market development program which has an innovative fodder production component. Similar to proposed activities in Ethiopia, this program provides veterinary services, builds the capacity of Ministry of Agriculture Development Agents, and works with a partner organization to produce and distribute sustainable animal fodder resistant to drought.

While Mercy Corps is not currently operational in Ethiopia, the agency has prioritized program development in the Horn in its strategic plan. Mercy Corps has been working in Eritrea since

2000 and has conducted assessments on possible programming opportunities in Sudan and Ethiopia.

Please see Annex A for complete details of Mercy Corps' institutional capability and past performance in the proposed sectors.

Program Management Structure

As a field-driven agency, the responsibility for in-country program management, planning monitoring and evaluation will fall on the **Country Representative**. The Country Representative reports to Mercy Corps' Director of Program Operations at Mercy Corps' headquarters in the United States. The program will be supported from Mercy Corps' headquarters by the Africa Senior Program Officer, the Africa Assistant Program Officer and the Manager of Field Financial Operations. In addition, the program will benefit from the availability of headquarters-based technical support staff, whose expertise in areas such as civil society, staff security and emergency response, procurement, food and livelihood security and health will be available to assist program implementation as needed.

Mercy Corps believes in building successful, sustainable programs with local staff in key managerial positions. Mercy Corps' organizational structure promotes the on-going transfer of staff skills and the development of sustainable internal capacity. Mercy Corps will build national staff capacity using techniques, such as on-the-job mentoring and formal training programs as needed. **The Mercy Corps Ethiopia start-up team will include an Operations Manager, a Finance & Procurement Manager and a Livestock Project Manager in key leadership roles.**

Security

Based on reports with the U.S. Embassy's Regional Security Officer in Ethiopia, other INGOs, local organizations, and community focus groups, Mercy Corps understands all areas outside of Addis Ababa are technically Phase 2. However, it is clear there are more acute areas of concern: Mieso and DaroLabu are not viewed among these areas. Regardless, Mercy Corps intends to conduct a full security audit in the AoR per organizational policy. The audit will assess any and all recent activities in the region to ascertain possible affects upon programming and include recommendations. According to Mercy Corps policy, all Country Directors are required to produce a field security manual (FSM) inclusive of an evacuation plan. The security auditor will assist with the process. The auditor will provide security training to the Security Management Team (SMT) and staff as needed. The SMT will be responsible for making sure that the organization's security policies are adhered to and adapted as situations arise. To ensure the safety of all staff, Mercy Corps has budgeted for the security audit, training, and equipment such as HF radio systems.

B. Monitoring Plan

Mercy Corps will monitor project performance using performance indicators (see Section III.D.) and will dedicate **three** Field Officers to the task of monitoring programmatic progress and partnerships throughout the course of the West Hararge Livestock Program. In addition to a **Pastoral KPC** survey, Field Officers will monitor community perceptions (using **Participatory Learning and Action**), nursery operations, veterinary service provider activities, and the development priorities of agro-pastoral families (using focus groups).

C. Transition or Exit Strategy

All West Hararge Livestock Program activities have built-in exit strategies. In terms of the vaccination campaign, Mercy Corps will support the expressed Bureau of Agriculture plans to recover the cost of vaccination (by charging agro-pastoralists .35 ETB/vaccination head), such that vaccination campaigns can become preventative rather than reactive processes. **Mercy Corps will also pilot private veterinary service provision so as to explore viable, incentive-based options for cost recovery.** In terms of the pilot forage nursery, Mercy Corps will investigate means by which operations can be rendered sustainable in the absence of zonal governmental support. One such option entails the harvesting and sale of legumes in non-drought years through local development partners.

In general, the objectives of the West Hararge Livestock Program incorporate cost-recovery mechanisms, or lay the foundations for the successful establishment of these mechanisms, in order to facilitate community and governmental ownership after the cessation of INGO involvement. The long term vision beyond this program is to assist in reestablishing a healthy livestock base which can be built upon for export purposes.