

2. AMENDMENT/MODIFICATION NO. 02	3. EFFECTIVE DATE See Block 16c	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY Office of Acquisition and Assistance USAID/Nicaragua Unit 2712 Box 9 APO AA 34021		7. ADMINISTERED BY (If other than Item 6)	

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) To all Offerors/Bidders	(X)	9A. AMENDMENT OF SOLICITATION NO. 524-05-004
	X	9B. DATED (SEE ITEM 11) 03-30-2005
		10A. MODIFICATION OF CONTRACT/ORDER NO.
		10B. DATED (SEE ITEM 13)
CODE	FACILITY CODE	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:
 (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
 The purpose of this Amendment is to revise RFP 524-05-004, as follows:

 SF 33, Block 9, insert the number "3"

 (see continuation sheet)

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Annette E. Tuebner Regional Contracting Officer
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED
	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)
	16C. DATE SIGNED 4/20/2005

CONTINUATION PAGE

b) Section C.1 Statement of Work, 1. Background, is deleted in its entirety and replaced with the following:

1. Background

1.1 CONTEXT FOR USAID ASSISTANCE:

The overarching goal of the regional strategy for Central America and Mexico for FY 2003-2008 is a more democratic and prosperous Central America and Mexico, sharing the benefits of trade-led growth broadly among their citizens. USAID's Country Plan will contribute to this goal by concentrating its resources on three main strategic objectives (SOs):

SO1 - Ruling Justly: More Responsive, Transparent Governments; SO2 - Economic Freedom: Open, Diversified, Expanding Economies and; SO3 - Investing in People: Healthier, Better Educated People

SO2 includes three Intermediate Results (IRs) adopted in the USAID/Nicaragua Country Plan: IR 2.1: Laws, Policies, and Regulations that Promote Trade and Investment; IR 2.2: More Competitive, Market-Oriented Private Enterprises; and IR 2.4: Improved management and conservation of critical watersheds. Note that while the regional strategy for Central America and Mexico has four IRs for SO2, the Nicaragua Country Plan only chose to implement three of the four.

This solicitation is to obtain technical services to support USAID/Nicaragua in achieving results under SO2, IR 2.2: More Competitive, Market-Oriented, Private Enterprises and IR 2.4: Improved management and conservation of critical watersheds, primarily and IR 2.1 secondarily.

1.1.1 ECONOMIC DEVELOPMENT CONSTRAINTS IN NICARAGUA.

Nicaragua is at a crossroads with regard to the direction that it needs to take to reduce poverty, stimulate economic growth, and generate employment for the people. Its demographic reality requires that 100,000 new jobs a year be created between now and 2020, just to provide employment for new labor force entrants. It is also important to provide equitable job opportunities for men and women of all ethnicities within Nicaragua. Moreover, its neighbors are on the move. Guatemala, El Salvador, Honduras, and Costa Rica are looking for ways to diversify and expand their market share. Nicaragua cannot afford to stand still. If it continues to protect inefficient industry and sectors, operate and not divest itself of state-owned enterprises, and heed the calls for protectionism, there is virtually no hope that, over the next 10 to 15 years, Nicaragua will be able to foster growth in the economy and generate the necessary quality employment for its increasing population that can significantly reduce poverty. Nicaragua must address these issues and attract significant amounts of foreign direct investment to provide the capital, technology, and market information and access essential to creating 100,000 new jobs per year. Nevertheless, serious obstacles to investment exist and the government must take on the issues of corruption, observance of the rule of law, and transparency and reliability in judicial decisions.

While the country as a whole has a significant abundance of fresh water, problems remain with water distribution, over-extraction of groundwater, pollution of freshwater bodies, sanitation, availability of potable water (especially in rural areas) and deforestation. Nicaragua has numerous large watersheds susceptible to disasters and water-related problems that require improved watershed management through the adoption of integrated water resource management systems.

Nicaragua is situated in the middle of the Mesoamerica biological corridor which runs from Mexico to Panama. The countries within this corridor have committed themselves to increasing habitat for biodiversity through the establishment of national protected areas, private nature reserves, and the promotion of biodiversity conservation measures.

While Nicaragua has identified several biodiversity hotspot areas, the whole country lies within the biological corridor. It is imperative that all USAID incorporate sound biodiversity conservation practices into all of programs that have potential impacts on the biodiversity of the contained in the country, including those activities that take place in agricultural areas.

Nicaragua is highly vulnerable to natural disasters including volcanic eruptions, flooding, droughts, forest fires, and earthquakes. Since Hurricane Mitch in 1998, numerous disaster mitigation and preparedness measures have been adopted in the country, but much more needs to be done to protect lives and sustain economic growth in the country.

Nicaragua has excellent agricultural soil, covering 11.8% of the nation's territory, where coffee, sugar cane, sesame seeds and bananas are grown along with non traditional crops such as peanuts, melon, cantaloupe, lemons, and yellow onions. Although dependence on basic export crops has made the national economy vulnerable to global price fluctuations, Nicaragua exports of goods and services totaled US\$623 million in 2003 and agricultural production accounted for approximately 60 percent of the total. The agricultural exports included: beef (\$85.3 million), coffee (\$79.4 million), lobster/shrimps (\$82 million), sugar cane (\$34.8 million), and bananas (\$13 millions).

The agricultural sector employs an estimated 42.5 percent of the total labor force of 1.8 million people. The majority are small-scale farmers of traditional crops with very low or non existent value-added to their products. They operate in a fragmented market that impedes competitive growth, have a minimum organizational capacity, have limited access to financial and production inputs and, have inadequate standards of quality, logistics, and service.

New economic and market opportunities from free trade agreements presents agro-businesses and other enterprises with challenges and opportunities. For the country to fully benefit from these free trade agreements, the nation will have to improve its position to compete in regional and global markets. Private sector firms need to improve the capacity to compete, gain access to new markets and maintain existing market share. This competitive capacity relies on product diversification, cost efficient production and capital investment flows. At the same time, both government and producers have to understand the benefits, and begin to utilize, sustainable environmental production practices to safeguard the country's natural resource base.

Key agriculture barriers and constraints are related among others to the following:

- Uncompetitive transportation service;
- Limited hybrid seed access;
- Deficient infrastructure, especially in the rural areas;
- Limited access to financial mechanisms;
- Limited market-intelligence of the producers;
- Inefficient customs and border-crossing; and
- Limited public/private coordination, consensus, and prioritization.

1.1.2 Global Trade Agreements-Opportunity and Challenge

The advent of various global and regional trade agreements - World Trade Organization (WTO), Central America Free Trade Agreement (CAFTA), and the Free Trade Agreement of the Americas (FTAA) - is promising to open national markets and benefit a large percentage of Nicaraguans. Nevertheless, the Nicaraguan private sector must position itself to benefit from these new global trade opportunities. The private sector must work closely with the Government of Nicaragua (GON) to push for good governance to reduce corruption, improve adherence to the rule of law, reform the judicial system, ensure quality labor conditions, and promote environmentally sustainable production. At the same time, private sector firms must innovate, develop joint ventures, invest in new technologies, reduce costs, and increase quality to become competitive in new markets that are opening up as a result of globalization and free trade agreements.

1.1.3 Transformation of Marketing Structures within Central America

In addition to the opportunities opened by numerous trade agreements, other trends within the region both pose challenges and present opportunities to Nicaraguan producers. Chief among these is the increasingly dominant role of supermarkets in the marketing of agricultural production, domestically, regionally, and internationally. As a result, sharp distinctions between global export markets and local domestic markets are rapidly disappearing. Supermarket standards are much more demanding in terms of food quality, safety, consistency, timing, and volume than are traditional markets. In fact, as Latin American consumers demand higher food quality and safety standards, supermarket chains are progressively applying standards that approximate U.S. and European market export standards. The domestic rural smallholder, who has traditionally been the principal source of supply for the domestic market, may find it increasingly difficult to meet these standards.

Even the poor Central America sub-region has seen explosive supermarket growth, as sales have doubled in less than a decade. Today the region's supermarket average share of food retailing is already roughly half that of the United States. In Nicaragua, there are now 40 supermarkets, up from five in 1994, and three supermarket chains are expected to build another 17 stores in Nicaragua over the next two years.

Nevertheless, Nicaragua lacks efficient sanitary and phyto-sanitary systems to meet the supermarket standards. Furthermore, most small-scale farmers and many agribusiness firms need to greatly increase the quality and safety of their products to enter these competitive, yet lucrative markets. Investments by both the GON and the private sector in quality sanitary and phyto-sanitary systems are needed.

1.1.4 Competitiveness

The Government of Nicaragua (GON) is acutely aware, in principle, of the importance of improving the business and investment climate. Although the GON is in the process of developing strategies to implement the National Development Plan (NDP) and support prioritized business areas, private sector actors in Nicaragua show a tendency to protect current market structure and insulate their businesses from globalization and competitive market forces. Efforts are needed to support private sector initiatives where firms and institutions within a specific business area build alliances and commercial relationships to improve overall competitiveness. Furthermore, agro-businesses, especially traditional sectors, lack the organizational capacity and commitment to open competitive practices; yet, many of the prioritized business areas in the GON's NDP are traditional agro-businesses such as coffee, cattle and horticulture.

1.1.5. OTHER DONORS PROGRAMS

Other donors seek to increase the competitiveness of agro-businesses. USAID/Nicaragua currently serves as the focal point for the Roundtable on Production and Competitiveness, which is designed to encourage coordination among the GON, donors, and the private sector. Donors, at the very least, try not to duplicate projects; and, where practical the donor community tries to complement and enhance similar programs. Below is a summary of donor programs.

- Japan - grants averaging about \$50 million annually, primarily for infrastructure.
- Sweden and Denmark - annual average of 22 million and \$21 million, respectively. Less than a quarter of these budgets are for programs that focus on sustainable natural resource management and agriculture.

- Other Nordic and European countries - approximately \$5 million annually. About a quarter of these funds are for economic growth, agricultural, and environmental projects. These programs primarily focus on natural resource management, organic production, and protected area management.
- The European Union - About to begin a \$68 million 5-year budget support program. The program supports the implementation of the GON's National Development Plan with results and indicators targeted for rural areas.
- IDB - \$70 million loan for economic growth activities to increase productivity and competitiveness in the agricultural and light manufacturing sectors and implement trade capacity building projects. The loan focuses on small and medium-scale enterprises. The IDB also has a \$48 million loan for rural infrastructure projects.
- World Bank - recently approved a Country Assistance Strategy, which will support the government's Poverty Reduction Strategy Paper goals at about \$40 million in loans per year over the next three years. It is also providing a \$40 million loan to develop a cadastre system and implement other projects related to land titling. Furthermore, the World Bank funds the Presidential Commission for Competitiveness at roughly \$8 million for a four-year period.

1.1.6 ECONOMIC GROWTH STRATEGIC OBJECTIVE:

In response to the regional challenges, opportunities, commitments and priorities, the Government of Nicaragua (GON) and USAID have jointly agreed to place maximum emphasis on an economic growth program to improve competitive market-led growth to prepare Nicaragua to fully reap the benefits of free trade. To achieve this goal, USAID/Nicaragua designed Strategic Objective 2 (SO2) "Economic Freedom: Open, Diversified, Expanding Economies". SO2 has three Intermediate Results (IRs): IR 2.1 "Laws, Policies and Regulations that Promote Trade and Investment;" IR 2.2 "More Competitive, Market-Oriented, Private Enterprises;" and IR 2.4 "Improved management and conservation of critical watersheds." The purpose of this solicitation is to obtain technical services to help the Mission and its partners meet performance indicators to achieve these three intermediate results with an emphasis on IR 2.2 and IR 2.4. IR 2.1 seeks to improve the trade and investment climate through the implementation of free trade agreements, reduce barriers to trade and investment, and promote laws, policies and regulations that increase trade and investment while sustaining the environment and protecting workers' rights. IR 2.2 seeks to improve the competitiveness and market linkages of Nicaraguan firms. IR 2.4 seeks to improve the management of critical watersheds through the promotion and adoption of environmentally friendly certification and production systems, biodiversity, soil, and water conservation practices, and disaster and climate change mitigation measures.

1.1.7 INTERMEDIATE RESULT 2.1 FRAMEWORK:

USAID/Nicaragua will work with the Government of Nicaragua (GON) to establish laws, policies, and regulations that promote trade and investment. It will provide technical assistance to the GON to participate fully in the negotiation and implementation of free trade and WTO agreements. It will help to establish a policy environment conducive to trade and investment and ensure that the benefits of free trade are wide spread to reduce poverty and protect workers rights and the environment. USAID/Nicaragua will link projects implemented under this IR to other Mission activities designed to increase the rule of law and transparency in the government and increase investments in the health and education of the population.

Intermediate Result 2.1 has the following three Sub-Intermediate Results (IRs):

Sub-IR2.1.1: Capacity of the Government of Nicaragua to negotiate and implement free trade agreements improved. Trade capacity building is the focus of this sub-Intermediate Result. To date, the GON has shown a strong commitment to negotiating free trade agreements and has identified trade capacity building priorities. USAID/Nicaragua intends to capitalize on the GON's interests and provide technical assistance in key areas to ensure effective implementation. USAID trade capacity building technical assistance will target priority

projects developed by the GON and submitted to the U.S.-CAFTA Trade Capacity Building Working Group currently led by the U.S. Trade Representative (USTR). The US Government expects this process to prioritize trade capacity building projects to be open, transparent, and consultative.

Sub-IR 2.1.2: Barriers to trade and investment removed.

USAID/Nicaragua will assist in the implementation of the sections of the GON's National Development Plan, that articulate strategies and processes to help the economy grow and diversify. This activity will link political and strategic decisions taken at the highest levels of the Executive Branch to the implementation of activities through line agencies. Technical assistance provided to GON ministries will also focus on developing and implementing strategies and projects to remove barriers to trade and investment.

Sub-IR 2.1.3: Laws, policies, and regulations that promote trade and investment sustain the country's natural resources, mitigate environmental impacts, and protect workers' rights USAID/Nicaragua will ensure that all new policies and programs developed in support of free trade and improvements in the business and investment climate are consistent with sound environment and natural resource management. Analyses and training will be conducted to determine the impact that new institutional arrangements may have on the environment. Furthermore, protecting workers' rights and the environment are priorities of USAID and the U.S. Government; therefore, USAID/Nicaragua will assist the GON in implementing the environmental and labor chapters included in free trade agreements, as well as in developing appropriate legal and administrative systems to protect workers' rights and the environment. Gender analyses will also be conducted to ensure that both men and women actively participate in economic policy decisions and that both sexes benefit from economic growth and the concomitant increase in the quantity and quality of jobs. An objective of this assistance will be to train GON officials to conduct these analyses and implement appropriate mitigation measures.

1.1.8 INTERMEDIATE RESULT 2.2 FRAMEWORK:

To attain the two sub-intermediate results, USAID/Nicaragua will work closely with market-oriented agri-businesses and other enterprises. The SO2 Team will link projects implemented under this IR to other Mission activities designed to increase the rule of law and transparency in the government and increase investments in the health and education of the population.

Intermediate Result 2.2 has the following Sub-Intermediate Result (IR):

Sub-IR2.2.1: Competitiveness of Nicaraguan enterprises and market linkages increased.

USAID will support activities that link market-oriented agri-businesses and other enterprises to regional and global markets. It will provide technical assistance to improve competitiveness and market intelligence to generate export opportunities and take advantage of free trade opportunities secured in free trade agreements. Technical assistance will be provided to buyers and producers to guarantee adherence to quality standards along the production chain and stimulate value-added Nicaraguan product lines. USAID will also encourage investments, joint ventures and alliances that increase value-added production and improve supply quality. As per the Bumpers amendment (Policy Determination #15), an analysis will be performed to assess if USAID assistance supports the production or growth of an agricultural commodity for export that would compete with a similar commodity grown or produced in the United States. The focus will be on, but not limited to, diversified, non-traditional business sectors where Nicaragua has a comparative advantage, such as light manufacturing, added-value agricultural products, and ecotourism.

1.1.9 INTERMEDIATE RESULT 2.4 FRAMEWORK:

To attain the intermediate result, USAID/Nicaragua will work in critical watersheds and habitat to develop market-based incentives to improve the management of natural resources. USAID will ensure that all programs operate under the context that the whole country is part of the Mesoamerican Biological

Corridor and; therefore, all activities must consider potential impacts on the biodiversity of the country and work towards enhancing it.

Intermediate Result 2.4 has the following Intermediate Result (IR):

IR2.4.1: Natural resources conserved through increased sales of environmentally friendly products and services:

USAID will help to improve the competitiveness of Nicaraguan businesses in green markets, tourism, and other enterprises that conserve and use natural resources in a sustainable manner. It will take advantage of opportunities to support certification of products by providing technical assistance to strengthen the competitiveness and sustainability of coffee, forest, agro-forest, agriculture, and marine products. This green market activity will focus on improving the local and national capacity to access competitive markets, and to expand business opportunities for the communities and entrepreneurs, through the sustainable management of their natural resources. This activity is expected to increase economic, social, and conservation benefits to producers, workers, and consumers. Technical assistance related to the development of sound payment mechanisms for environmental services will also be provided. As a result of these activities, USAID expects to conserve biodiversity, soil, and water; reduce air, land, and water pollution; and mitigate vulnerabilities to disaster and climate change impacts.

1.1.10 INDICATORS:

Work under this Contract will support the Central America and Mexico (CAM) regional strategy in general, and more specifically the Nicaragua Country Plan.

Strategic Level and Intermediate Level indicators are provided below:

CAM STRATEGIC OBJECTIVE (SO) LEVEL INDICATORS

- Regulatory Quality (World Bank Institute)
- Country Credit Rating (Institutional Investor Magazine)
- Days to Start a Business (World Bank)
- Trade Policy (The Heritage Foundation's Index of Economic Freedom)
- Inflation (Multiple sources including the Nicaraguan Central Bank)
- Fiscal policy (GON, IMP, and WEO)

NICARAGUA COUNTRY PLAN STRATEGIC OBJECTIVE LEVEL INDICATORS

- Context Indicator A: Ranking on Growth Competitive Index (World Economic Forum)
- Percentage growth in value of exports minus traditional crops (coffee, sugar, and beans)(Central Bank)
- Employment Generation (Central Bank)
- Increase in hectares under improved environmental management (USAID partners).

NICARAGUA COUNTRY PLAN INTERMEDIATE RESULTS LEVEL INDIACTORS

Intermediate Result 2.1

- Increase in Foreign Direct Investment (Central Bank)
- Number of new laws, policies and regulations adopted to increase trade and investment and ensure protection of the environment and worker's rights as a result of USAID assistance

Intermediate Result 2.2

- Increase in sales from firms receiving USAID assistance (USAID partners)

Intermediate Result 2.4

- Increase in sales of environmentally friendly goods and services from firms receiving USAID assistance (USAID partners)
- Number of firms receiving USAID assistance producing under certification programs (USAID partners)

2. Special Considerations

2.1 ROLES AND RESPONSIBILITIES

2.1.1 ROLE OF THE GOVERNMENT OF NICARAGUA

USAID/Nicaragua signed a Strategic Objective Agreement (SOAG) with the Government of Nicaragua (GON) in August 2003 for the strategy period of 2003 to 2008. The four ministries signing this SOAG were the Ministry of Agriculture and Forestry (MAGFOR), the Ministry of Development, Industry and Trade (MIFIC), the Ministry for Environment and Natural Resources (MARENA), and the Strategic Planning and Coordination Unit in the Presidency (SECEP). These Ministries are part of the Production and Competitiveness Cabinet. The main function of this Cabinet is to coordinate the implementation of the National Development Plan's chapter on competitiveness. Thus, the Mission works closely with these ministries and the institutions attached to them. Furthermore, on trade-related and fiscal reform activities, the Mission works closely with the Ministry of Finance, the Institute for Tourism (INTUR), the Ministry of Labor (MOL), and the Presidential Commission for Competitiveness as well as others where appropriate. The Instituto Nicaragüense de Estudios Territoriales (INETER) and the Sistema Nacional de Prevención de Desastres (SINAPRED) are the Mission's primary government counterparts for the disaster mitigation and preparedness activities. All of these Ministries and institutes are expected to be primary counterparts for the implementation of the Mission's Competitiveness activity.

The Government of Nicaragua's National Development Plan identifies the key priorities and approaches the GON will pursue to increase economic growth and reduce poverty. This document is meant to direct all government programs to work towards the achievement of the objectives identified in the plan and encourage donor programs to align with and pursue these objectives.

Because the Production and Competitiveness Cabinet only includes public institutions, the Production and Competitiveness Roundtable was established as the official coordinating mechanism among Cabinet member institutions, international cooperation and the private sector. The role of the Government of Nicaragua in the roundtable is to ensure that the policies, strategies, mechanisms and programs implemented in this sector are mutually agreed upon by the public sector, the private sector and civil society.

Another major player in the GON scene is the private-public sector commissions that were created by the President to foster dialog on economic development objectives and priorities. The objective of these commissions is to reach agreements among Nicaraguans to set priorities in the sector. The three commissions are: the Investment Promotion Commission, the Competitiveness Commission, and the Commission for Free Trade Agreements. The role of the Government in the private-public sector commissions are to agree upon a set of priority policies, strategies, and programs and make efficient use of GON resources for Nicaragua's economic and social development.

2.1.2 ROLE OF USAID:

The responsible USAID office for the technical direction and monitoring of this Contract will be the Trade and Agri-business Office (TAO). The Cognizant Technical Officer (CTO) for this contract will be designated by the Regional Contracting Officer after consultations with the TAO Chief.

The CTO will provide overall technical direction on policy issues relating to the achievement of results.

Specifically the CTO will be responsible for the following:

- Oversee compliance with contract terms and conditions;
- Ensure timely and coordinated provision of USAID financing and contract administration requirements;
- Ensure donor coordination;
- Conduct policy dialogue with GON ministries, institutions, and private sector counterparts;
- Support counterpart Ministries' efforts to implement activities to assist this program in the most efficient manner and to identify and help resolve issues satisfactorily;
- Review action plans, and coordinate approval of work plans;
- Ensure performance monitoring;
- Ensure that all actions implemented by the contractor are in compliance with 22 CFR 216;
- Track Contractors' achievements under intermediate and sub-intermediate results;
- Perform analysis and evaluations; and
- Review quarterly and annual progress reports

As a result of the Central American Free Trade Agreement negotiations, the United States Trade Representative (USTR) established a Trade Capacity Building (TCB) Working Group for CAFTA that includes representatives from each country and a team of U.S. Government (USG) agencies led by USTR. USAID/Nicaragua participates as a member of the USG team. The purpose of the TCB Working Group is to identify the trade capacity building needs of the CAFTA countries, prioritize these requests, determine which USG agency may be the most appropriate to respond to these requests, and developed programs to address these needs.

Section C.3, Applicable Documents and Initiatives, add the following:

- q) "Certification of Adequate Planning and Fulfillment of Pre-obligation Requirements for More Competitive, Market-Oriented Private Enterprises (IR2.2)- (redacted version)";
- r) "Branding Strategy and Marking Plan Checklist".

Section C.6, Requirement 5.1, is revised to read as follows:

Environmental management model(s) developed or modified and implemented bringing three-hundred thousand (300,000) hectares under improved environmental management in the following geographic zones:

- 1) highlands and forested areas (mountain tops of watersheds);

(2) the agricultural frontier (sloped areas cultivated with crops and areas bordering forested areas within watersheds);
(3) primary agricultural lands; (4) marine, coastal, and lowland forested areas to increase economic growth in rural areas while preserving and enhancing biodiversity and preventing and mitigating disasters.

Section C.6, Standard 5.1.3, is revised to read as follows:

International forest certification programs promoted with a minimum of seven (7) enterprises managing forests that meet international sustainable forestry certification standards required by international markets.

Section H.14 Reporting on Foreign Taxes, is revised as follows:

replace any reference to "USAID/Honduras" with "USAID/Nicaragua"
delete "lalmendarez@usaid.gov" and replace with "vprudo@usaid.gov"
delete "fax 011-504-238-2818" and replace with "Fax 011-505-278-3828"
delete "Ligia Almendarez office of Financial Management (OFM)" and replace with "Virginia Prudo, Office of Finance".

Add the following clause:

H.16. Standard Clause for Branding and Marking (reserved).

NOTE: Offerors should include in their proposals a Branding Strategy and Marking Plan, which will not be included as an evaluation factor. Refer to Section C.3, for additional guidance.

The successful offeror's Branding Strategy and Marking Plan will be incorporated into the resultant award.

Section J, Attachment 7, Definitions, is revised to add the following definitions:

"Agricultural Products and Services": Products and services related to the cultivating of soil, production of crops, production of dairy products, and raising livestock.

"Environmental Management Model": A system or collection of activities and practices to protect the environment or enhance the environment. This includes natural resources management (including forest coastal and marine areas), protected areas management, biodiversity conservation, cleaner energy, cleaner production, soil and water conservation, integrated watershed management, and other practices included in the definition for Improved Environmental Management.

Section L.6 - General Instructions to Offerors -

Paragraph a(i) last paragraph should read as follows:

Only those pages requiring original manual signatures should be sent via facsimile or the entire proposal may be submitted electronically in .pdf format (facsimile of the entire proposal is not authorized); or"

(a)(ii) add the following at the end of the USAID/Nicaragua address:

011-505-267-0502/04, ext.106 (telephone)
011-505-270-5090 (fax)

Section L.7 – Instructions for the Preparation of the Technical Proposal -

Section L.7.1 paragraph 10, beginning with "Offerors shall have flexibility..." is revised as follows:

Offerors shall have flexibility to classify the following products and services as either agricultural or non-agricultural to fit their technical approach: (1) fisheries and aquaculture; (2) forestry products (e.g. certified timber, wood products); and (3) products and services provided to agricultural MSMEs such as equipment, transportation, freight forwarding, insurance, and packaging.

Section L.7.3, second paragraph. Delete the last sentence in its entirety and replace with:

The Offeror/Subcontractor/Team Members shall complete the Contractor Performance Report (short form).

Section L.7.5 delete "Organizational Experience and Resources" and replace with "Organizational Experience, Resources and Key Personnel".

f) L.10- Instructions for the Preparation of the Cost Proposals -

Add L.10 (d) Offerors should include in their cost proposals the costs associated with the proposed Branding Strategy and Marking Plan.

[END OF AMENDMENT NO. 02]