

REQUEST FOR PROPOSALS

TECHNICAL ASSISTANCE FOR THE

COLD STORAGE NEEDS FOR PALM DATES

Submission Deadline: **12:00 p.m. NOON**

LOCAL TIME

DECEMBER 12, 2008

Submission Place: CHEF DE DIVISION DES PROJET DE MISE EN VALEUR ET DE
L'INDUSTRIE AGRICOLE
DIRECTION DE LA PRODUCTION VÉGÉTALE
MINISTÈRE DE L'AGRICULTURE ET DE LA PÊCHE MARITIME
AVENUE MOHAMED V, QUARTIER ADMINISTRATIF-PLACE
ABDELLAH CHEFCHAOUNI
BP: 607, RABAT, MOROCCO
Tel: (212) 37 76 11 14 or (212) 37 76 18 34
Fax: (212) 37 76 15 57

SEALED PROPOSALS SHALL BE CLEARLY MARKED AND RECEIVED PRIOR TO THE
TIME AND DATE SPECIFIED ABOVE. PROPOSALS RECEIVED AFTER SAID TIME
AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.

REQUEST FOR PROPOSALS

SECTION 1:	INTRODUCTION
1.1	BACKGROUND SUMMARY
1.2	OBJECTIVE.....
1.3	PROPOSALS TO BE SUBMITTED
1.4	CONTRACT FUNDED BY USTDA.....
SECTION 2:	INSTRUCTIONS TO PROPOSERS.....
2.1	PROJECT TITLE
2.2	DEFINITIONS.....
2.3	DEFINITIONAL MISSION REPORT
2.4	EXAMINATION OF DOCUMENTS
2.5	PROJECT FUNDING SOURCE.....
2.6	RESPONSIBILITY FOR COSTS
2.7	TAXES
2.8	CONFIDENTIALITY.....
2.9	ECONOMY OF PROPOSALS
2.10	SUBSTANTIVE PROPOSALS
2.11	CONDITIONS REQUIRED FOR PARTICIPATION
2.12	LANGUAGE OF PROPOSAL.....
2.13	PROPOSAL SUBMISSION REQUIREMENTS
2.14	PACKAGING.....
2.15	AUTHORIZED SIGNATURE
2.16	EFFECTIVE PERIOD OF PROPOSAL
2.17	EXCEPTIONS.....
2.18	OFFEROR QUALIFICATIONS
2.19	RIGHT TO REJECT PROPOSALS.....
2.20	PRIME CONTRACTOR RESPONSIBILITY
2.21	AWARD
2.22	COMPLETE SERVICES
2.23	INVOICING AND PAYMENT
SECTION 3:	PROPOSAL FORMAT AND CONTENT.....
3.1	SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY.....
3.2	SECTION 2: COMPANY INFORMATION.....
3.2.1	COMPANY PROFILE
3.2.2	OFFEROR'S AUTHORIZED NEGOTIATOR
3.2.3	NEGOTIATION PREREQUISITES
3.3	SECTION 3: ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL
3.4	SECTION 4: TECHNICAL APPROACH AND WORK PLAN
3.5	SECTION 5: EXPERIENCE AND QUALIFICATIONS
SECTION 4:	AWARD CRITERIA.....

- ANNEX 1 FEDBIZOPPS ANNOUNCEMENT
- ANNEX 2 BACKGROUND DEFINITIONAL MISSION REPORT
- ANNEX 3 USTDA NATIONALITY REQUIREMENTS
- ANNEX 4 USTDA GRANT AGREEMENT, INCLUDING MANDATORY CONTRACT CLAUSES
- ANNEX 5 TERMS OF REFERENCE (FROM USTDA GRANT AGREEMENT)

Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant to the Grantee for a Cold Storage Needs for Palm Dates Technical Assistance. The grant agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to carry out the Technical Assistance.

1.1 BACKGROUND SUMMARY

The agricultural sector is predominant in Morocco; almost half of the active population is employed in this sector and it contributes around 13% to the GDP. Moroccan agricultural production consists of cereals, fruits and vegetables. High quality agricultural production, including olives and olive oil, is usually exported to Europe. Currently, annual production of date palms in Morocco is estimated at 85,000 tons, of which nearly 30% spoils before it reaches its markets due to inadequate storage and transportation infrastructure.

Recognizing the important role of agriculture in the Moroccan economy, the Millennium Challenge Corporation (MCC) has committed \$300.9 million USD to stimulate growth in the agricultural sector and reduce volatility of agricultural production through the Fruit Tree Productivity Project. The Fruit Tree Productivity Project will focus on date, figs, almond and olive tree production. Furthermore, it will support the upgrading of existing small-scale irrigation infrastructure and the intensification and rehabilitation of existing date tree cultivation in irrigated oasis perimeters (approximately 16,000 ha within perimeters covering 23,000 ha). The objective is to increase the efficiency of water use and other crop practices to enhance the yield and profitability of date production in the target areas.

Although the MCC compact activities address the horticultural and irrigation issues, there is a need for further support in the marketing and agribusiness components of the date palm sector in Morocco. Specifically, there is a need for assistance to identify ways to preserve the quality of production and improve the values of the produced crops. This will have significant impacts on the income levels of farmers', which is the overall broad objective of the MCC compact.

An efficient Cold Chain system is an important component of Morocco's agricultural sector and is vital for the country's economic development. Morocco currently imports dates, mainly from Tunisia, to supplement its local production to meet domestic demand. Morocco has a large potential to increase date production and one of its greatest barriers is the failure to prevent spoilage. The implementation of a cold chain system and refrigerated facilities would enhance Morocco's ability to increase the value of high quality date products. The Ministry of Agriculture and Maritime Fishing has identified this project as a priority as it would reduce post-harvest losses and improve farmers' incomes.

The technologies and practices to be identified in the study are those that would allow the storage of date palms for prolonged periods of time (up to 11 months), to enable producers to store their crops until the Holy Month of Ramadan of the following year, which is the season of peak demand for dates in Morocco and the Islamic World. Demand is expected to continue to increase, and so the need for cold storage facilities and infrastructure will also continue to grow.

The study will also identify the optimal institutional arrangements for the implementation of the needed cold storage facilities, and explore a number of arrangements including public private partnerships (e.g., concessions) and others. In addition, the project will include a training component targeting producers and producer associations on the importance of cold storage. The study will also focus on showing the substantial return on investment that expenditures on cold chain storage will bring, due to to producers' abilities to produce a better quality of fruit, and to preserve the fruit until the peak demand season. Finally, the study will address replicability with other crops in the future. A background Definitional Mission is provided for reference in Annex 2.

1.2 OBJECTIVE

The Terms of Reference (TOR) for this Technical Assistance is attached as Annex 5.

1.3 PROPOSALS TO BE SUBMITTED

Technical proposals are solicited from interested and qualified U.S. firms. The administrative and technical requirements as detailed throughout the Request for Proposals (RFP) will apply. Specific proposal format and content requirements are detailed in Section 3.

COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted; upon detailed evaluation of technical proposals, one firm will be selected for contract negotiations. The amount for the negotiated contract has been established by a USTDA grant of U.S. \$531,810 dollars.

1.4 CONTRACT FUNDED BY USTDA

The negotiated contract will be funded by USTDA in accordance with the terms and conditions of its grant to the Grantee. The contract must include certain USTDA mandatory clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA mandatory clauses are attached at Annexes 3 and 4 for reference.

Section 2: INSTRUCTIONS TO PROPOSERS

2.1 PROJECT TITLE

The project is called "Cold Storage Needs for Palm Dates Technical Assistance."

2.2 DEFINITIONS

Please note the following definitions of terms as used in this RFP.

The term "Request for Proposals" means this solicitation of a formal technical proposal including qualifications statement.

The term "Offeror" means the U.S. individual, or U.S. firm, including any and all subcontractors, which responds to the RFP and submits a formal proposal and which may or may not be successful in being awarded this procurement.

2.3 DEFINITIONAL MISSION REPORT

USTDA sponsored a Definitional Mission to address technical, financial, sociopolitical, environmental and other aspects of the proposed project. A copy of the Report is attached at Annex 2 for background information only.

2.4 EXAMINATION OF DOCUMENTS

Offerors should carefully examine this RFP. It will be assumed that Offerors have done such inspection and that through examinations, inquiries and investigation they have become familiarized with local conditions and the nature of problems to be solved during the execution of the Technical Assistance.

Offerors shall address all items as specified in this RFP. Failure to adhere to this format may disqualify an Offeror from further consideration.

Submission of a proposal shall constitute evidence that the Offeror has made all the above mentioned examinations and investigations, and is free of any uncertainty with respect to conditions which would affect the execution, and completion of the Technical Assistance.

2.5 PROJECT FUNDING SOURCE

The Technical Assistance will be funded under a grant from USTDA. The total amount of the grant is not to exceed U.S. \$531,810 dollars.

2.6 RESPONSIBILITY FOR COSTS

Offeror shall be fully responsible for all costs incurred in the development and submission of the proposal or any other cost incurred by Offeror prior to issuance of an agreement or contract. Neither USTDA nor the Grantee assumes any contractual obligation as a result of the issuance of this proposal request, the preparation or submission of a proposal by an Offeror, the evaluation of proposals, or final selection.

2.7 TAXES

Offerors should submit proposals which note that in Annex 4, USTDA Mandatory Contract Provisions, USTDA funds are not to be used to pay taxes or duties under the laws of host country.

2.8 CONFIDENTIALITY

The Grantee will use its best efforts to preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror.

2.9 ECONOMY OF PROPOSALS

Proposal documents should be prepared simply and economically, providing a comprehensive and concise description of the Offeror's capabilities to satisfy the requirements of the RFP. There is no necessity for expensive bindings, colored displays, or other promotional material unless such material is absolutely pertinent to the proposal. Emphasis should be placed on completeness and clarity of content.

2.10 SUBSTANTIVE PROPOSALS

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on the behalf of, any undisclosed person, firm, or corporation, and is not submitted in conformity with, and agreement of, any undisclosed group, association, organization, or corporation; (b) that it has not directly or indirectly induced or solicited any other Offeror to put in a false proposal; (c) that it has not solicited or induced any other person, firm, or corporation to refrain from submitting a proposal; and (d) that it has not sought by collusion to obtain for himself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from host country for up to 20 percent of the amount of the USTDA grant. USTDA nationality requirements are detailed in Annex 3.

2.12 LANGUAGE OF PROPOSAL

All proposal documents shall be prepared and submitted in English, and only English.

2.13 PROPOSAL SUBMISSION REQUIREMENTS

The **Cover Letter** in the proposal must be addressed to:

Chef de Division des Projet de Mise en Valeur et de l'Industrie Agricole
Direction de la Production Végétale
Ministère de l'Agriculture et de la Pêche Maritime
Avenue Mohamed V, Quartier Administratif-Place Abdellah Chefchaoui
BP: 607, Rabat, Morocco
Tel: (212) 37 76 11 14 or (212) 37 76 18 34
Fax: (212) 37 76 15 57

An Original and eight (8) hard copies and one CD ROM of your proposal must be received at the above address no later than 12:00 p.m. NOON, on December 12, 2008.

Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the above address before the deadline. Any proposal received after the deadline will be returned unopened.

Upon timely receipt, all proposals become the property of the Grantee.

2.14 PACKAGING

Each proposal must be sealed to ensure confidentiality of the information. The hard copy proposals should be individually wrapped and sealed, and labeled for content including "original" or "copy number x"; the CD ROM must be individually wrapped and sealed and labeled "CD ROM"; the original and eight (8) copies and one CD ROM should be collectively wrapped and sealed, and clearly marked for content.

Neither USTDA nor the Grantee will be responsible for premature opening of proposals not properly labeled.

2.15 AUTHORIZED SIGNATURE

The proposal must contain the signature of a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror.

2.16 EFFECTIVE PERIOD OF PROPOSAL

The proposal shall be binding upon the Offeror for sixty (60) days after the proposal due date, and Offeror may withdraw or modify this proposal at any time prior to the due date upon written request, signed in the same manner and by the same person who signed the original proposal.

2.17 EXCEPTIONS

Firms agree by their response to the RFP announcement to abide by the procedures set forth therein. Material modifications in the TOR or responsibilities of the parties will not be accepted.

Any exceptions in the proposal shall be clearly identified, and shall include the scope of such exception, and its impact, on the procurement. The Grantee shall make final determination as to the responsiveness of such exceptions and their acceptability.

2.18 OFFEROR QUALIFICATIONS

As provided in Section 3, Offerors shall submit evidence that they have relevant past experience and have previously delivered advisory and Technical Assistance services similar to those required in the TOR.

2.19 RIGHT TO REJECT PROPOSALS

The Grantee reserves the right to reject any and all proposals and to accept or reject any or all of the items in the proposal, and to award the contract in whole or in part if it is deemed in the best interest of the Grantee.

2.20 PRIME CONTRACTOR RESPONSIBILITY

Offerors have the option of subcontracting parts of the services they propose. The Offeror's proposal must include a description of any anticipated subcontracting arrangements, including the name, address, and qualifications of consultants and subcontractors. USTDA nationality provisions are set forth in detail in Annex 3. The successful Offeror shall cause appropriate provisions of its contract, including all mandatory USTDA clauses, to be inserted in all subcontracts ensuing to ensure fulfillment of all contractual provisions by subcontractors.

2.21 AWARD

An award resulting from this RFP shall be made to the best qualified Offeror, taking into consideration the evaluation factors set forth herein; however, the right is reserved to reject any and all proposals received and, in all cases, the Grantee will be the judge as to whether a proposal has or has not satisfactorily met the requirements of this RFP.

2.22 COMPLETE SERVICES

The successful Offeror shall be required to (a) furnish all supplies, supervision, transportation, and other execution accessories, services, and facilities; (b) provide and perform all necessary labor; and (c) in accordance with good technical practice, with due diligence, and in accordance with the requirements, stipulations, provisions and conditions of this RFP and the resultant contract, execute and complete all specified work to the satisfaction of the Grantee.

2.23 INVOICING AND PAYMENT

Deliverables under the contract shall be delivered on a schedule to be agreed upon in a contract with the Grantee. The Contractor may submit invoices to the designated Grantee Project Director in accordance with a schedule to be negotiated and included in the contract. Upon approval of each invoice, the Grantee will forward the invoice to USTDA which will process payment to the Contractor. All payments by USTDA under the Grant Agreement will be made in U.S. currency.

Section 3: PROPOSAL FORMAT AND CONTENT

To expedite proposal review and evaluation, and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section.

Proposal sections and pages shall be appropriately numbered and the proposal shall include a Table of Contents. Offerors are encouraged to submit concise and clear responses to the RFP. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content are given in this section. The Grantee reserves the right to include any part of the selected proposal in the final contract.

The proposal shall consist of a technical proposal only. No cost proposal is required as the value of the USTDA grant is established at U.S. \$531,810 dollars.

Offerors shall submit one (1) original, eight (8) hard copies of the proposal and (1) CD ROM copy of the proposal. Proposals received by fax cannot be accepted.

The following sections and content are required for each proposal:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Introduction and Executive Summary,
- Company Information,
- Organizational Structure, Management Plan, and Key Personnel,
- Technical Approach and Work Plan,
- Experience and Qualifications, and
- Miscellaneous.

Detailed requirements and directions for the preparation of each section are presented below.

3.1 SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

An Executive Summary should be prepared describing the major facts or features of the proposal, including any conclusions, assumptions, and generalized recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

3.2 SECTION 2: COMPANY INFORMATION

3.2.1 Company Profile

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), similar information must be provided for each subcontractor. Offerors are requested to limit the length of the Company Profile Information to one (1) page per firm.

1. Name of firm and business address, including telephone and fax numbers.
2. Year established (include former firm names and year established, if applicable).
3. Type of ownership and parent company, if any.
4. Project Manager's name, address, telephone and fax number, if different from (1).

3.2.2 Offeror's Authorized Negotiator

Provide name, title, address, telephone and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

3.2.3 Negotiation Prerequisites

1. Discuss any impact of any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Technical Assistance as proposed and within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

3.3 SECTION 3: ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL

Describe the Offeror's proposed project organizational structure. Discuss how the project will be managed including the principal and key staff assignments for this Technical Assistance. Identify the Project Manager who will be the individual responsible for this project. The Project Manager must have the responsibility and authority to act on behalf of the Offeror in matters related to the proposed Technical Assistance.

Provide a listing of personnel (including subcontractors and consultants) to be engaged in the project, either U.S. or local with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the organizational relationship between the firms must be described.

A manpower schedule and the level of effort for the project period, by activities and tasks, as detailed under the Work Plan shall be submitted. A statement confirming the availability of the proposed project manager and key staff over the duration of the project must be included in the proposal.

3.4 SECTION 4: TECHNICAL APPROACH AND WORK PLAN

Describe in detail the proposed technical approach and work plan. Discuss the project requirements as perceived by the Offeror. Include a brief narrative of tasks within each activity series. Begin with the information gathering phase and continue through delivery and approval of all required reports.

Prepare a detailed schedule of performance that describes all activities and tasks within the Technical Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Based on the Technical Work Plan, and previous project experience, explain when and where Offeror will require support from the Grantee. Detail the amount of staff time required by the Grantee or participating agencies and any work space or facilities needed to complete the Technical Assistance.

Contractors must provide a Technical Approach and Work Plan, and within this document, describe how they will approach and conduct the assignment. As part of the Technical Approach and Work Plan, the Contracting Team must commit to work on the project as per the tasks, schedule, personnel and deliverables and related items as outlined in the Terms of Reference. They must provide written and signed commitments by each team member regarding scheduling availability (e.g., linked to specific calendar dates such as "November 2008 forward" or "November 15, 2008 forward"), and commit in writing that they will retain their availability for the complete duration of the project as per the Terms of Reference's schedule. If a Contracting Team has resources or ideas as to how to enhance the Terms of Reference, these resources and/or ideas can be submitted for consideration as an enhancement to the requirements in the Terms of Reference, but may not substitute for any tasks, deliverables or scheduling plans identified in the Terms of Reference.

3.5 SECTION 5: EXPERIENCE AND QUALIFICATIONS

Provide a discussion of the Offeror's experience and qualifications which are relevant to the objectives and TOR for the Technical Assistance. If a subcontractor(s) is being used, similar information must be provided for the prime and each subcontractor firm proposed for the project. Relevant experience and qualifications of key staff proposed shall be provided including letters of commitment from the individuals proposed concerning their availability for contract performance.

As many as possible but not more than six (6) relevant and verifiable project references must be provided, including the following information:

Project name,

Name and address of client (indicate if joint venture),
Client contact person (name/ position/ current phone and fax numbers),
Period of Contract,
Description of services provided,
Dollar amount of Contract, and
Status and comments.

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to or larger in scope than the Technical Assistance as described in this RFP.

A team of experts will be required to conduct the Technical Assistance. The team should include senior U.S. experts that are experienced in and fully familiar with wastewater collection and treatment, sewerage networks design, WWTP design, equipment, operations, and financing options. The team should include the skill areas listed below. The experts should have demonstrated experience to reflect the criteria as noted following each skill area.

Post Harvest Horticulturalist-Team Leader

- ◆ Team Leader: demonstrated experience as a leader of consulting teams.
- ◆ Horticulturalist: at least 10 years experience with production background and experience with date storage.
- ◆ Country/Region: experience working on agriculture and post harvest horticulture projects in Morocco and/or the Middle-East and North Africa region.
- ◆ Education: advanced degree in agriculture, horticulture, or related field.

Agriculture Marketing Specialist

- ◆ Ag. Marketing: at least 10 years experience on ag. marketing projects with expertise in fresh fruit/vegetables and value-added agro-processed products
- ◆ Country/Region: experience working on agriculture and post harvest marketing projects in Morocco and/or the Middle-East and North Africa region.
- ◆ Education: advanced degree in agriculture marketing, or related field.

Mechanical Engineer

- ◆ Mechanical engineer with commercial experience in the design and operation of cold and frozen food facilities
- ◆ Country/Region: experience working on refrigeration and industrial refrigeration projects in Morocco and/or the Middle-East and North Africa region.
- ◆ Education: advanced degree in mechanical engineering, or related field.

Financial Expert

- ◆ Management/Planning: at least 10 years experience in financial modeling and forecasting for agriculture projects, agriculture infrastructure projects, and tariff structures. Also, experience in working with organizations involved in the financing of agriculture projects is required.
- ◆ Country/Region: experience working on refrigeration and industrial refrigeration projects in Morocco and/or the Middle-East and North Africa region.
- ◆ Education: advanced degree in finance or related field.

Legal/PPP Specialist

- ◆ Experience: at least 10 years experience in working with organizations regulating agricultural sector, with experience in institutional assessments and PPP formulation
- ◆ Country/Region: experience working on refrigeration and industrial refrigeration projects in Morocco and/or the Middle-East and North Africa region.
- ◆ Education: advanced degree in law, finance or related field.

Each of the key personnel must be supported with:

1. Detailed resumes for each of the individuals; and,
2. Supporting project and/or country examples of relevant work activities to the proposed assignment as described in the Terms of Reference and within the section on Contractor Qualifications, and a description of how these project and/or country examples provide evidence of competence and/or expertise as related to the proposed assignment and Contractor Qualifications.

Experience working with government, state-run organizations particularly in Morocco, Middle-East, North Africa and developing countries.

Consultant must give detailed information about past experience working in similar projects in Morocco, Middle East, North Africa, and other developing countries. Consultant must give a description of the previous project, the client, the nature of the work, the duration of the assignment, and the value of the contract. A minimum of five previous projects should be included in the technical proposal.

Section 4: AWARD CRITERIA

Individual proposals will be initially evaluated by a Procurement Selection Committee of representatives from the Grantee. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors, and the Grantee shall promptly negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations shall then be undertaken with the second most qualified Offeror and so forth.

The selection of the Contractor will be based on the following criteria:

	Maximum Points
1. General Experience and Qualifications (10 points)	
1.1 Overall experience of the firm	3
1.2 Overseas experience	3
1.3 Experience in Arab countries	4
2. Specific Applicable Experience (15 points)	
2.1 Amount of experience in the study and design facilities for cold storage, cold chains, date palms horticulture, post harvest treatment, and agricultural marketing	15
3. Approach and Methodology (30 points)	
3.1 Knowledge of proposed work and understanding of the services to be performed as demonstrated by the specific details of the firm's proposal	15
3.2 Appropriateness of the proposed methodology and work plan	10
3.3 Appropriateness of the proposed Training Program as demonstrated by the specific details of firm's proposal	5
4. Qualifications of Proposed Key Personnel (35 points)	
4.1 Qualifications of project leader	20

4.2 Qualifications of other team professionals	15
5. Overall Impression (10 points)	10
<u>Total</u>	<u>100</u>

Proposals which do not include all requested information may be considered non-responsive.

Price will not be a factor in contractor selection.

ANNEX 1

Chef de Division des Projet de Mise en Valeur et de l'Industrie Agricole, Ministère de l'Agriculture et de la Pêche Maritime, Avenue Mohamed V, Quartier Administratif-Place Abdellah Chefchaoui, BP: 607, Rabat, Morocco, Tel (212) 37 76 11 14 or (212) 37 76 18 34, Fax (212) 37 76 15 57

B-Cold Storage Needs for Palm Dates Technical Assistance

POC Evangela Kunene, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. Cold Storage Needs for Palm Dates Technical Assistance. The Grantee invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms which are qualified on the basis of experience and capability to develop a technical assistance for Cold Storage Needs for Palm Dates.

The agricultural sector is predominant in Morocco; almost half of the active population is employed in this sector and it contributes around 13% to the GDP. Moroccan agricultural production consists of cereals, fruits and vegetables. High quality agricultural production, including olives and olive oil, is usually exported to Europe. Currently, annual production of date palms in Morocco is estimated at 85,000 tons, of which nearly 30% spoils before it reaches its markets due to inadequate storage and transportation infrastructure.

Recognizing the important role of agriculture in the Moroccan economy, the Millennium Challenge Corporation (MCC) has committed \$300.9 million USD to stimulate growth in the agricultural sector and reduce volatility of agricultural production through the Fruit Tree Productivity Project. The Fruit Tree Productivity Project will focus on date, figs, almond and olive tree production. Furthermore, it will support the upgrading of existing small-scale irrigation infrastructure and the intensification and rehabilitation of existing date tree cultivation in irrigated oasis perimeters (approximately 16,000 ha within perimeters covering 23,000 ha). The objective is to increase the efficiency of water use and other crop practices to enhance the yield and profitability of date production in the target areas.

Although the MCC compact activities address the horticultural and irrigation issues, there is a need for further support in the marketing and agribusiness components of the date palm sector in Morocco. Specifically, there is a need for assistance to identify ways to preserve the quality of production and improve the values of the produced crops. This will have significant impacts on the income levels of farmers', which is the overall broad objective of the MCC compact.

An efficient Cold Chain system is an important component of Morocco's agricultural sector and is vital for the country's economic development. Morocco currently imports dates, mainly from Tunisia, to supplement its local production to meet domestic demand. Morocco has a large potential to increase date production and one of its greatest barriers is the failure to prevent spoilage. The implementation of a cold chain system and refrigerated facilities

would enhance Morocco's ability to increase the value of high quality date products. The Ministry of Agriculture and Maritime Fishing has identified this project as a priority as it would reduce post-harvest losses and improve farmers' incomes.

The technologies and practices to be identified in the study are those that would allow the storage of date palms for prolonged periods of time (up to 11 months), to enable producers to store their crops until the Holy Month of Ramadan of the following year, which is the season of peak demand for dates in Morocco and the Islamic World. Demand is expected to continue to increase, and so the need for cold storage facilities and infrastructure will also continue to grow.

The study will also identify the optimal institutional arrangements for the implementation of the needed cold storage facilities, and explore a number of arrangements including public private partnerships (e.g., concessions) and others. In addition, the project will include a training component targeting producers and producer associations on the importance of cold storage. The study will also focus on showing the substantial return on investment that expenditures on cold chain storage will bring, due to to producers' abilities to produce a better quality of fruit, and to preserve the fruit until the peak demand season. Finally, the study will address replicability with other crops in the future.

The U.S. firm selected will be paid in U.S. dollars from a \$531,810 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background definitional mission report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, please go to:

<https://www.ustda.gov/USTDA/FedBizOpps/RFP/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in

the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP.

Interested U.S. firms should submit their Proposal in English directly to the Grantee by 12:00 p.m. NOON, December 12, 2008 at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

ANNEX 2

The DM Team has identified one potential project that addresses cold storage and the cold chain relevant to the date palms component of the MCC Compact. This project is described in the following section:

3.2 Technical Assistance and Capacity Building for Fresh Date Cold Storage and Value-Added Date Product Infrastructure Needs in Morocco

3.2.1 PROJECT RATIONALE

Although date palm cultivation in the world can be traced back to the origin of humankind, product quality for the most part remains very low. Pre- and postharvest fruit losses are high in most limited-resource production areas and considerable improvements can be made in the consistency of supply and quality of fresh dates and diversified value-added date products. The world date palm production is concentrated mostly in the Near East and Africa. About 70% of it is concentrated in six countries namely; Iran, Egypt, Iraq, Saudi Arabia, Pakistan and Algeria, 20% in another six countries, namely; UAE, Libya, Morocco, Oman, Sudan, and Tunisia, and the remaining 10% in 22 other countries.

The Morocco Fruit Tree Productivity Project (FTPP) implemented by the Ministry of Agriculture and Maritime Fisheries (MAPM) with funding from the Millennium Challenge Corporation (MCC) supports the upgrading of existing small-scale irrigation infrastructure, along with intensification and rehabilitation of existing date palm cultivation in irrigated oasis perimeters (approximately 16,000 ha within perimeters covering 23,000 ha). The objective is to increase the efficiency of water use and other crop management practices to enhance the yield, quality, and profitability of date production in the target areas. Although the Project addresses the horticultural, irrigation, and to some extent marketing issues, there is a need for further support in the marketing and agribusiness component of the date palm sector in Morocco. Specifically, there is a need to identify ways to preserve the quality of fresh dates over an extended storage period, and add value to dates by improving the quality, uniformity, and edible-product diversity of dates. Improvements in the postharvest care and value-added agro-processing technology will have significant positive impacts on the income levels of farmers and households in the oasis areas, which is a major overall goal of the MCC Compact.

3.2.2 PROJECT CONCEPT

The main theme of the proposed project is to conduct a comprehensive study to identify the specific needs and feasibility for date cold storage and associated postharvest handling infrastructure, including value-added product agro-processing facilities, that would help reduce the losses in quantity and quality of dates in Morocco. This will include the assessment of the needs in terms of the most appropriate postharvest handling, storage, and market preparation technologies (i.e. cleaning, grading, packing, dehydration/hydration, insect disinfection, packaging), and the appropriate quantity/sizes of cold storage facilities. The study would determine the technical and financial feasibility of investing in a cold storage network and affiliated postharvest care infrastructure for dates in the 5 main production provinces of Morocco.

The technologies and practices to be identified in the study are those that would allow the storage of fresh dates for prolonged periods of time (up to 12 months) to enable producers to store dates year round. This will be especially important during the next several decades, when the interval between date harvest in the fall (October-November) and the Holy Month of Ramadan (which is the season of peak demand for dates in Morocco and the Islamic World) will initially approach almost a year. In addition, as the production of date palm increases and domestic and export markets are developed, the need for cold storage facilities and affiliated postharvest care infrastructure will also continue to increase.

The Government of Morocco (GoM) and the FTTP are committed to reducing date postharvest losses and improving farmers and household incomes in the oasis areas where date palms are vital to the agro-ecosystem and rural livelihoods. The proposed study will also identify the optimal institutional arrangements for the ownership, management, and implementation of the needed cold storage/postharvest care facilities and explore a number of arrangements including public-private partnerships and others.

In addition, the project will include a training component targeting producers, their families, and producer-associations on the importance of cold storage, and the worthiness of the expenditures incurred for storage. Economic comparisons will be made delineating the improvements to revenue as a result of better fruit quality and extended durations of market availability.

3.2.3 INTERNATIONAL BEST PRACTICES

Among other international entities, the Food and Agriculture Organization (FAO) has conducted several activities to prolong the storage of dates using refrigeration or freezing. The process is mainly based on the slowing down of enzyme activity in the fruit. Fresh dates can be harvested at different stages of fruit maturity (i.e. khalal, rutab, and tamar). The choice for when to harvest depends on cultivar characteristics, climatological conditions, and market demand. The vast majority of dates are harvested at full maturity (tamar stage) when the color and sugar content characteristic of the cultivar has fully developed. Also, tamar stage fruit have the longest potential storage life (many months), compared to rutab or khalal (several weeks maximum). Storage technologies are available and used throughout the world to prolong the market life, maintain a high quality product, and add value to fresh dates in order to enhance the market competitiveness and economic value of the edible product.

Cold and frozen storage of dates has received more attention in recent years in the major date producing countries. Throughout the world, domestic refrigeration and cold-chain distribution of foods has increased exponentially. In the case of fresh dates harvested at the tamar stage, storage at -18° C provides the maximum extension of shelf life (up to a year) and preservation of edible product quality. Therefore, it is very important that under the proposed TA, a detailed inventory of the date palms varieties in Morocco be conducted in order to determine the most appropriate technologies for cold storage.

Some commercial initiatives to freeze, store and market frozen khalaal have been undertaken with the special aim of making rutab available through the year on festive occasions (i.e., Ramadan and other Islamic Holidays) when consumption of dates is of a long-standing tradition. For instance, Tunisia, Saudi Arabia, and Israel have all recently constructed a

number of extra-modern processing plants for fumigation, washing, drying, and cold storage of dates. Under proper refrigerated storage, such dates can be exported and marketed year round.

3.2.4 PROJECT SPONSOR'S COMMITMENT

The Ministry of Agriculture and Maritime Fisheries (MAPM) will be the Project Sponsor for the cold storage network for date palms' Technical Assistance. MAPM is committed to improving the cold and value chain for fruits and vegetable in general, with special emphasis on date palms at this stage. Their longer term vision is to replicate this activity for other crops over the coming years. The proposed project is amongst the MAPM priorities, and was identified by senior staff at the MAPM

It is line with the objectives of the MCC compact and will help with the achievement of the Compact's objectives in terms of poverty reduction and improving the conditions for Moroccan farmers.

3.2.5 IMPLEMENTATION FINANCING

Implementation financing for the cold storage network for date palms has not yet been determined. MAPM may be able to partially finance the project; however, the majority of the financing would have to come from the private sector and the donor and lending community currently active in Morocco.

The proposed study will identify the ideal set up for project ownership, which will help determine the most appropriate methods of financing the implementation. To ensure that all appropriate financing options are considered, the Terms of Reference states that the Consultant will identify likely sources of financing. Consultant should take special care to fully discuss each option with representatives of USAID, World Bank, Islamic Development Bank, Kuwait Fund, and other international financial institutions that have already made significant investments of time, effort and capital in the Moroccan agriculture sector. The ToR also states that the consultant should investigate appropriate financial mechanisms for PPP and PSP in the implementation of the project and recommend general performance measures and covenants to monitor financial management and performance. The DM contractor has presented the project to several such agencies. Table C-1 below summarizes the general feedback received from those agencies.

Table C-1. Initial Financing Options for the Project

Agency	Reception of Project
USAID	USAID has, and currently is, funding a number of activities related to agriculture and agro economics in Morocco. Discussions with USAID representatives during this DM revealed their support of the proposed concepts. A Monitoring and Evaluation activity for a previous USAID agriculture project has just been completed this year, with the possibility of replicating that project in other basins in Morocco. Such projects could include financing for infrastructure similar to that identified under this DM.
MAPM	To encourage the cooling sector for the conservation of fruits and vegetables, the Ministry has implemented an aid program that is channeled through the framework of

	the Foundation for Agricultural Development (FDA). This is mainly in the form of subsidies or return on investment. The percentage of this aid is usually around 30%, while that of the private sector, in this case, is 70%. This mechanism should also provide some financing for the implementation of some of the storage facilities identified as part of the Technical Assistance.
AFED	<p>The Arab Fund for Economic and Social Development (AFESD) seeks to assist member countries in eliminating development constraints, increasing absorptive capacity and achieving higher rates of growth, and to foster economic integration and cooperation among member countries.</p> <p>It approved funding projects in excess of \$40 million in Morocco, and informal discussions with representatives of the AFED indicated that if presented properly by the Government of Morocco, they would consider financing of the project provided that it goes through the Fund's project cycle.</p>

3.2.6 U.S. EXPORT POTENTIAL

The most critical component in cold storage and cold chains is the refrigeration technology. The cold storage equipment sector in Morocco provides an excellent opportunity for U.S. companies to invest as part of the GoM's policy to reduce losses in the agricultural sector. The cold chain infrastructure is key to achieving such objectives. Some US Companies such as Carrier and Trane have already established a presence in Morocco for the supply of air conditioning and cooling systems for a number of applications including industrial applications. It is companies like those that can play a significant role in the supply of necessary equipment for the Moroccan cold chain.

In 2006, the US refrigeration industry generated revenues of about US \$31 billion and gross profit was at the level of US \$9 billion or almost 29%. The U.S. industrial refrigeration industry is highly concentrated, and industrial refrigeration equipment manufacturers range from smaller privately held firms to multinational corporations. Many industry producers are also involved in the broader heating, air conditioning or residential refrigeration business. Total US exports totaled \$5.4 billion in 2006. U.S. products have an advantage over European products in the air conditioning and refrigeration sector due to their high quality and heavy-duty performance. Moreover, demand for U.S. products is increasing due to the weakness of the dollar in relation to Euro.

Meetings were held with US companies represented in Morocco to discuss the scopes of the projects identified in this DM and to develop an understanding of their capacity to meet the demand, and the estimated market share of US products in Moroccan markets in the past few years. The meetings revealed the high technical capacity of those companies, especially in the areas of maintenance and after sale services. Discussions with such representatives indicated that US products have had a 25-30% of the market share in the Moroccan market. The Trane representative revealed an aggressive marketing plan to be implemented in 2009, which is expected to increase their market share in terms of cooling and refrigeration equipment. It is believed that the Moroccan Free Trade Agreement with the US will further facilitate the market entry for US products, and with the anticipated growth in the agriculture

and agribusiness sectors in Morocco, significant export opportunities will arise. The toughest competition was identified to be Italian technology.

An estimate of the potential US exports for date palms refrigeration equipment can be made as follows:

- The current annual production of date palms in Morocco is estimated at 85,000 tonnes of which nearly 30% is wasted.
- Assuming no growth in production over the coming years, and assuming that only one quarter of the remaining harvest would utilize the cold storage network, there will be a total demand to store nearly 15,000 tonnes annually
- The needed volume for such storage is roughly estimated at 75,000 cubic meters
- The average cost of refrigeration equipment per cubic meter of cold storage is \$400
- Although US companies present in Morocco indicated the ability to obtain a 30% market share, assuming a 20% US products market share results in roughly \$6 million in terms of infrastructure (excluding spare parts and other auxiliary equipment such as forklifts, IT systems, packaging equipment, etc).
- The above rough estimation is for dates only, it does not include cold storage equipment for olives and the other fruits and vegetables produced in Morocco, which are also of interest to the Ministry of Agriculture in the future. It also does not include the demand for dates' storage resulting from a reduction of the wastes identified above. The inclusion of those is expected to easily double or triple the export potential.
- The estimation does not include demand in other countries of the Arab Maghreb such as Algeria, Tunisia, Libya, and Egypt.

Specific details on the technical specifications of the needed cooling and refrigeration technologies, spare part requirements, and maintenance workshops equipment needs will be provided the Technical Assistance. The consultant will address technical specifications for the storage rooms, such as capacity, food safety issues, temperatures, control systems, etc. The consultant will also address the requirements in terms of maintenance crews and qualifications, maintenance facilities, etc. The total investment in this level of equipment would approximate \$8 million to \$10 million for date palms alone. Some U.S. companies that could help meet the demand in Morocco are listed below:

- Trane
- Carrier
- DeltaTRAK
- Universal Equipment Suppliers, Inc.,

- Shepler Refrigeration Inc.
- ClimateCraft, Inc.
- Bry-Air Inc
- Innovative Air Technologies
- Munters Corp.
- Novel Aire Technologies
- TOPP Portable Air
- TriState Coil

3.2.7 *FOREIGN COMPETITION*

Depending on the eventual source of funding for the project, foreign companies from China, Germany, Italy, France, Japan, and S. Korea can be expected to bid on design, construction services, and provision of equipment/spare parts. Given the strong presence of relevant US companies in Morocco U.S. companies have a competitive opportunity to bid on supplying the required equipment.

Discussions with various representatives in Morocco indicated that European producers are better represented in the region and have country representatives. They indicated that they are interested in procuring US goods provided that the response time to RFQ's and delivery times can be reduced. Coupled with the Dollar's competitive edge over the euro, this is seen as an opportunity for US businesses to establish a presence in the region, possibly through more authorized dealers, to increase their competitiveness in the sector.

3.2.8 *IMPACT ON THE ENVIRONMENT*

The project is not expected to have any significant adverse environmental impacts, however, Contractor of the Technical Assistance will conduct a preliminary environmental statement, keying on potential impacts of the Project on (a) ecological resources, (b) cultural heritage sites and relics, (c) soil erosion, (d) noise and air quality, (e) potential accidents and spills of chemicals, and (f) local community disturbances from construction activities. The Contractor will outline appropriate mitigation measures, management procedures and monitoring programs, if any.

In addition, as part of the MCC activities, the MAPM expects to have a Consultant in place by September 2008 to provide a variety of services for conducting feasibility studies, technical designs, and action plans for rehabilitation and intensification of dates in oases targeted by FTTP, which will include a Strategic Environmental Assessment (SEA). The USTDA Contractor will communicate and coordinate closely with this Consultant and MAPM on all environmental and social assessments and analyses.

3.2.9 *IMPACT ON U.S. LABOR*

In regard to concerns on the impacts of U.S. labor, support for the implementation of the cold storage and cold chain facilities' network is not expected to result in the relocation of U.S. jobs overseas. On the contrary, the equipment, chemicals, and services required for the operation of cold storage facilities to be supplied by U.S. manufacturers will generate additional employment in the U.S.

3.2.12 JUSTIFICATION

There are three primary reasons why USTDA should fund this project:

- ◆ The completion of this project will complement the activities under the MCC Compact in Morocco; thus, provide synergy between US Government programs. This will also help sustain the huge investments the MCC has made in Morocco.
- ◆ By providing the initial funds for a FS, USTDA will assure that U.S. firms will become involved in the project development process. As firms participate in the process, the likelihood of U.S. exports becomes greater.
- ◆ In the coming 5 years, there is a huge potential for cold storage and cold chain equipment in Morocco. This will be needed for both the agriculture and fishing sectors, in addition to cold transport equipment. The project at hand creates an opportunity for US providers to enter and strengthen their positions in the Moroccan market.

ANNEX 3



**U.S. TRADE AND DEVELOPMENT AGENCY
Arlington, VA 22209-2131**

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

The purpose of USTDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the prefeasibility, feasibility, and implementation stages of a project.

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

Except as USTDA may otherwise agree, each of the following provisions shall apply to the delivery of goods and services funded by USTDA under this Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from host country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for implementation of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in host country are not subject to the above restrictions. USTDA will make available further details concerning these standards of eligibility upon request.

NATIONALITY:

1) Rule

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. individual. Prime contractors may utilize U.S.

subcontractors without limitation, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

2) Application

Accordingly, only a U.S. firm or U.S. individual may submit proposals on USTDA funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of Reference is funded with the USTDA grant.

3) Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

SOURCE AND ORIGIN:

1) Rule

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the USTDA Grant Agreement must have their source and origin in the United States, unless USTDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific USTDA approval.

2) Application

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a USTDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

3) Definitions

“Source” means the country from which shipment is made.

"Origin" means the place of production, through manufacturing, assembly or otherwise.

Questions regarding these nationality, source and origin requirements may be addressed to the USTDA Office of General Counsel.

ANNEX 4

GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and Ministère de l'Agriculture et de la Pêche Maritime (Ministry of Agriculture and Maritime Fishing) ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US\$531,810 ("USTDA Grant") to fund the cost of goods and services required for technical assistance ("TA") on the proposed Cold Storage Needs for Palm Dates project ("Project") in Morocco ("Host Country").

1. USTDA Funding

The funding to be provided under this Grant Agreement shall be used to fund the costs of a contract between the Grantee and the U.S. firm selected by the Grantee ("Contractor") under which the Contractor will perform the TA ("Contract"). Payment to the Contractor will be made directly by USTDA on behalf of the Grantee with the USTDA Grant funds provided under this Grant Agreement.

2. Terms of Reference

The Terms of Reference for the TA ("Terms of Reference") are attached as Annex I and are hereby made a part of this Grant Agreement. The TA will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the TA shall also be included in the Contract.

3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials, and commercial entities, in their respective countries. The parties to this Grant Agreement and the Contractor shall observe these standards, which include not accepting payment of money or anything of value, directly or indirectly, from any person for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the TA.

4. Grantee Responsibilities

The Grantee shall undertake its best efforts to provide reasonable support for the Contractor, such as local transportation, office space, and secretarial support.

5. USTDA as Financier

(A) USTDA Approval of Competitive Selection Procedures

Selection of the U.S. Contractor shall be carried out by the Grantee according to its established procedures for the competitive selection of contractors with advance notice of the procurement published online through *Federal Business Opportunities* (www.fedbizopps.gov). Upon request, the Grantee will submit these contracting procedures and related documents to USTDA for information and/or approval.

(B) USTDA Approval of Contractor Selection

The Grantee shall notify USTDA at the address of record set forth in Article 17 below upon selection of the Contractor to perform the TA. Upon approval of this selection by USTDA, the Grantee and the Contractor shall then enter into a contract for performance of the TA. The Grantee shall notify in writing the U.S. firms that submitted unsuccessful proposals to perform the TA that they were not selected.

(C) USTDA Approval of Contract Between Grantee and Contractor

The Grantee and the Contractor shall enter into a contract for performance of the TA. This contract, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing. To expedite this approval, the Grantee (or the Contractor on the Grantee's behalf) shall transmit to USTDA, at the address set forth in Article 17 below, a photocopy of an English language version of the signed contract or a final negotiated draft version of the contract.

(D) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of the contract and any amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of funding the TA and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Grantee or USTDA from asserting any right they might have against the

Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

(E) Grant Agreement Controlling

Regardless of USTDA approval, the rights and obligations of any party to the contract or subcontract thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and any contract or subcontract funded by the Grant Agreement, the Grant Agreement shall be controlling.

6. Disbursement Procedures

(A) USTDA Approval of Contract Required

USTDA will make disbursements of Grant funds directly to the Contractor only after USTDA approves the Grantee's contract with the Contractor.

(B) Contractor Invoice Requirements

The Grantee should request disbursement of funds by USTDA to the Contractor for performance of the TA by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Clauses in Annex II.

7. Effective Date

The effective date of this Grant Agreement ("Effective Date") shall be the date of signature by both parties or, if the parties sign on different dates, the date of the last signature.

8. TA Schedule

(A) TA Completion Date

The completion date for the TA, which is January 7, 2010, is the date by which the parties estimate that the TA will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

9. USTDA Mandatory Clauses

All contracts funded under this Grant Agreement shall include the USTDA mandatory clauses set forth in Annex II to this Grant Agreement. All subcontracts funded or partially funded with USTDA Grant funds shall include the USTDA mandatory clauses, except for clauses B(1), G, H, I, and J.

10. Use of U.S. Carriers

(A) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(B) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

11. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the TA and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to TA support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

12. Taxes

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Grantee nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

13. Cooperation Between Parties and Follow-Up

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report (as defined in Clause I of Annex II), the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project.

14. Implementation Letters

To assist the Grantee in the implementation of the TA, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by the Grant Agreement. The parties may also use jointly agreed upon implementation letters to confirm and record their mutual understanding of matters covered by the Grant Agreement.

15. Recordkeeping and Audit

The Grantee agrees to maintain books, records, and other documents relating to the TA and the Grant Agreement adequate to demonstrate implementation of its responsibilities under the Grant Agreement, including the selection of contractors, receipt and approval of contract deliverables, and approval or disapproval of contractor invoices for payment by USTDA. Such books, records, and other documents shall be separately maintained for three (3) years after the date of the final disbursement by USTDA. The Grantee shall afford USTDA or its authorized representatives the opportunity at reasonable times to review books, records, and other documents relating to the TA and the Grant Agreement.

16. Representation of Parties

For all purposes relevant to the Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by the Ministre de l'Agriculture et de la Pêche Maritime. The parties hereto may, by written notice, designate additional representatives for all purposes under the Grant Agreement.

17. Addresses of Record for Parties

Any notice, request, document, or other communication submitted by either party to the other under the Grant Agreement shall be in writing or through a wire or electronic medium which produces a tangible record of the transmission, such as a telegram, cable or facsimile, and will be deemed duly given or sent when delivered to such party at the following:

To: Chef de Division des Projet de Mise en Valeur et de l'Industrie Agricole
Ministère de l'Agriculture et de la Pêche Maritime
Avenue Mohamed V, Quartier Administratif-Place Abdellah Chefchaouni,
BP: 607, Rabat, Morocco

Phone: 212 37 76 11 14/18 34
Fax: 212 37 76 15 57

To: U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, Virginia 22209-3901
USA

Phone: (703) 875-4357
Fax: (703) 875-4009

All such communications shall be in English, unless the parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial Section of the U.S. Embassy in Host Country with a copy of each communication sent to USTDA.

Any communication relating to this Grant Agreement shall include the following fiscal data:

Appropriation No.: 118/91001
Activity No.: 2008-21022A
Reservation No.: 2008210034
Grant No.: GH2008 210009

18. Termination Clause

Either party may terminate the Grant Agreement by giving the other party thirty (30) days advance written notice. The termination of the Grant Agreement will end any obligations of the parties to provide financial or other resources for the TA, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the written notice of termination.

19. Non-waiver of Rights and Remedies

No delay in exercising any right or remedy accruing to either party in connection with the Grant Agreement shall be construed as a waiver of such right or remedy.

20. U.S. Technology and Equipment

By funding this TA, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for Project implementation.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Government of the United States of America and **Ministère de l'Agriculture et de la Pêche Maritime**, each acting through its duly authorized representative, have caused this Agreement to be signed in the English language in their names and delivered as of the day and year written below. In the event that this Grant Agreement is signed in more than one language, the English language version shall govern.

**For the Government of the
United States of America**

**For Ministère de l'Agriculture et de la
Pêche Maritime**

By: Larry W. Walker

By: Ali'oum

Date: 8/28/08

Date: 28/08/2008

Witnessed:

By: [Signature]

Witnessed:

By: [Signature]

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

Annex I

Terms of Reference

The objective of the proposed project is to provide technical assistance that will include a comprehensive study to identify the specific needs of and feasibility for date cold storage and associated postharvest handling infrastructure, including value-added product agro-processing facilities, that would help reduce the losses in quantity and quality of dates in Morocco. This will include the assessment of the needs in terms of the most appropriate postharvest handling, storage, and market preparation technologies (i.e. cleaning, grading, packing, dehydration/hydration, insect disinfestation, packaging), and the appropriate quantity/sizes of cold storage facilities. The TA would determine the technical and financial feasibility of investing in a cold storage network and affiliated postharvest care infrastructure for dates in the 5 main production provinces of Morocco.

The Consultant is expected to perform the technical reviews, analyses, environmental assessment, conceptual technical designs and specifications, and all the related activities required to attain the objective referred to above. The Government of Morocco may present the Project to bilateral or international agencies for financing. The final report must, therefore, include all the information required for appraisal of the Project by bilateral or international financing agencies.

For this technical assistance, a core team of five experts (international and/or local) will be required including:

- ◆ Postharvest Horticulturalist (with production background and experience with date storage)
- ◆ Agricultural Marketing Specialist (with expertise in fresh fruit/vegetables and value-added agro-processed products)
- ◆ Mechanical Engineer/Refrigeration Specialist (with commercial experience in the design and operation of cold and frozen food facilities)
- ◆ Legal/Public Private Partnership Specialist
- ◆ Financial Analyst

The core team should be supplemented by local experts (in accordance with Clause C of the USTDA Mandatory Contract Clauses attached as Annex II) to assist with the technical, cultural and country-specific issues and with the training activities that must be conducted in Moroccan Arabic.

Specific tasks of this project are as follows:

Task 1: Project Start-Up and Kick-off

The Contractor shall travel to Morocco and meet with the Grantee in Rabat to discuss the basis for the project and its objectives and to develop a clear and comprehensive

understanding of the Millennium Challenge Account (MCA) Compact and the Fruit Tree Productivity Project (FTPP) activities related to dates in coordination with MCC (Millennium Challenge Corporation). Other stakeholders that the Contractor shall meet with include Agence du Partenariat pour le Progrès (APP), the Regional Centers of Agronomic Research, the Experimental Stations for Agriculture value Upgrading, members of the Research and Coordination Committee, members of the National Institute of Agronomic Research, and others that would be suggested by the Grantee and APP.

The Contractor and Grantee shall also review all relevant and available agricultural production, postharvest care, and marketing data for dates. In addition, the Contractor shall review previously accumulated studies and data by the Grantee, other relevant Moroccan ministries, the World Bank, USAID projects, and other donor-funded project reports on agricultural developments specific to the Moroccan date palm value chain and marketing. The Contractor shall collect additional information, as needed, and based upon this review, a database listing of all information reviewed will be compiled by the Contractor.

Deliverable: The contractor shall provide to the Grantee a database of all available information literature gathered during the kick-off activity.

Task 2: Development of Site Inventories

Under this Task, the Contractor shall, in coordination with the Grantee, identify all the locations in which there are concentrations of date production. The work will be focused in the five provinces of the date palm oasis area covered under the FТПP of the MCA Compact. The Grantee and MCC experts strongly believe that cold storage and related facilities would be best located within the production areas because of the substantial economic benefits that will be generated as a result for local farm families and other rural inhabitants.

For each of the five provinces, the Contractor shall gather information related to the following:

- Productivity rates and histories of date production
- Any documented postharvest losses in dates
- The different cultivars of dates produced in the various areas with the various production volumes for each cultivar
- The tree densities for the various cultivars geographically categorized along with indications on the approximate ages of the trees
- The harvest period for the different date cultivars in each of the 5 oases provinces and current state of the domestic and export markets for Moroccan dates.
- Serviceability of the various areas focusing on the availability of potable water, availability of 3-phase electricity, transportation infrastructure, etc.

Deliverable: The contractor shall prepare a report for the Grantee on the site inventories for the five locations detailing all the information gathered during the task.

Task 3: Demand and Marketing Analyses

The Contractor shall gather information related to the domestic and export market demand and consumption of fresh dates and value-added date products (such as dried dates, date pastes, and others). The information shall be collected on a geographic basis to identify the major wholesale and retail marketing channels and demand centers throughout Morocco and international market destinations. The contractor shall determine the quantities (and histories) of date demand and identify the main seasons for demand. This should be broken down by cultivar and maturity stage (e.g., khalal, rutab, tamar). Once the demand quantities and seasons in the various domestic and international markets are identified, the Contractor shall study the sources and proportions for meeting the demand in each of the domestic and export markets in terms of local production and imports.

The Contractor shall also gather the information needed to develop a detailed description of the marketing and value chain as it relates to dates. The contractor shall include a development of details on the key processes and inputs that contribute to the final product including but not limited to:

- Input supply
- Production practices (pre-harvest)
- Harvesting practices
- Postharvest handling
- Cooling
- Dehydration/hydration
- Insect disinfestation
- Steps in market preparation (cleaning, grading/sorting, packing)
- Value-added agro-processing
- Packaging materials
- Transportation
- Wholesale marketing and distribution
- Retail marketing Consumer preference according to cultivar and per capita consumption, and
- any other relevant postharvest handling issues (i.e. use of Hazard Analysis Critical Control Point (HACCP), Global Good Agricultural Practice(GAP) certification, best management practices)

In addition, the contractor shall collect and analyze information on the following:

- Major players in the wholesale and retail marketing channels for fresh dates and their value-added products
- Classification of major date producers (family business, private commercial farming, public producers,...etc.)
- Commission buyers (agents) who usually buy dates on behalf of participants further down the marketing chain (mainly processors or exporters)
- Packers and processors of dates
- Exporters of dates
- Importers of dates
- Retailers (including high-end grocery chains like Marjane).

In addition, the Contractor shall gather information relevant to the costs associated with the various value chain components including the harvesting phase, cleaning/grading/packing, transportation, and marketing. The Contractor shall also collect data and information regarding the value of fresh and agro-processed date products obtained by the growers in the different production areas.

At the end of this Task, the Contractor will be able to preliminarily determine the optimal locations for cold storage facilities to help store fresh dates from the main production areas, in order to serve the key demand areas. The storage will be on a long-term basis to allow for fresh dates harvested in October-December to be marketed for up to a year later.

Deliverable: The contractor shall prepare a report on the findings of the marketing analysis task and a detailed description on the marketing chain for dates in Morocco.

Task 4: Demand Forecast

The Contractor shall discuss with the Grantee, the FTTP and other development activities in Morocco related to dates and shall conduct a demand and production forecasting analysis. The contractor shall project the current demand and production statistics for fresh dates and value-added date products (i.e. paste, syrups, preserves, purees, etc.) into a future year to be agreed upon with the Grantee. It is recommended, however, that demand be projected for the next 15 to 20 years under a number of scenarios (e.g., pessimistic, neutral, and optimistic). This will allow for the conduct of sensitivity analysis once the financial feasibility tasks are commenced.

Deliverable: The contractor shall prepare a future demand forecasting model including all the assumptions made to arrive at such demand forecasts.

Task 5: Facility and Equipment Requirements

Based on the identification of the key locations where cold storage facilities are needed, and the demand/production forecasting, the Contractor shall develop a proposal for an optimal network of cold storage facilities for dates. The proposal shall include the definition of the locations of such facilities, the specific volume of storage capacity in each area, conceptual designs of the individual storage facilities recommended for each area to include:

- refrigeration capacity for each recommended storage facility
- temperature and humidity control and monitoring equipment
- insulation requirements
- internal air flow capacity and design
- foundation, wall, and roof specifications
- water and electricity requirements
- packinghouse equipment needed
- cleaning
- grading
- sorting
- machinery
- dehydration and hydration equipment
- insect disinfestation infrastructure
- packaging materials and equipment
- value-added agro-processing equipment
- date surface coating equipment
- seed separators
- extruders for paste
- forklifts

The proposal shall also address other needed infrastructure, equipment, and supplies for cold storage facilities to accommodate the projected production/demand. The postharvest storage infrastructure should include representative examples appropriate to small, medium-scale date producers/grower associations/cooperatives. Although the proposed date storage infrastructure should be developed for the long-term for the country, the contractor shall work with the Grantee to develop a phased approach based upon agreed priority stages of cold chain development. The Contractor shall also develop an implementation plan for the various recommended cold storage facilities in the network.

The storage capacities should be determined to accommodate the needed storage duration(s), which is dependent on the intended end-use of the crop. For example, the duration of the storage will depend on demand trends, fruit maturity stage, and cultivar. The Contractor, therefore, shall take all these issues into consideration when determining the facility and equipment requirements. In addition, the Contractor shall coordinate with the food safety specifications as per Grantee requirements and international standards (i.e., GlobalGAP certification, HACCP, etc.). The Contractor shall also consult with key stakeholders who will most probably use the proposed facilities. This includes agricultural associations, cooperatives, and farmer groups.

The Contractor shall determine the needed refrigeration and cooling technologies and technical infrastructure and associated equipment specifications for fresh dates at each recommended location in the oasis areas. For the various identified equipment, the Contractor shall develop a list of priority capital expenditures on cold chain equipment and infrastructure that need to be undertaken to meet international standards. In addition, the Contractor shall recommend any other elements not considered in the above list that they believe are necessary for or would enhance Cold Chain operations for dates.

Deliverable: The contractor shall prepare a detailed report on cold chain and cold storage requirements outlining the technical specifications needed.

Task 6: Institutional Arrangements

As part of the assessment, the Contractor shall identify the various institutional arrangements for the ownership, management, and implementation of date cold storage facilities in Morocco. The Contractor shall explore and study the various options such as governmental ownership, private investment/ownership, public-private partnerships, lease-purchase, and others. The assessment should include governmental entities such as Ministry of Agriculture and Maritime Fishing, Ministry of Interior, and other non-governmental and private sector entities.

The contractor shall include an analysis of the legal framework to ensure the compliance of the proposed institutional arrangement with existing legislation. The assessment should also address the institutional capacities of the various entities (governmental and private) to determine any capacity building needs.

At the end of this assessment, the Contractor shall present the various options for implementing a comprehensive date cold storage and value-added agro-processing facility infrastructure and affiliated equipment requirement to allow the Moroccan date sector to provide consistent supplies of high quality dates and date products to domestic and international markets. The contractor shall include a recommended implementation plan with an anticipated schedule of major goals for awarding concessions, constructing the improvements and operating the facilities. The contractor shall include a timeframe and guidance on:

- Preparing the bids/ concessions

- Awarding the bids/ concessions
- Designing the facilities
- Constructing the facilities
- Operating the System

Deliverable: The contractor shall provide a detailed report on the institutional assessment and a report detailing the recommendations in terms of the proposed management/ownership structure.

Task 7: Financial and Technical Analysis

The Consultant shall conduct a financial and technical analysis of the implementation of a cold storage facilities' network in Morocco. The analysis shall include full costs of all cold storage infrastructure and equipment, construction, utilities (water, electricity, and sewage), costs of operations, and revenues from the storage use fees, reduction in postharvest losses, and improved fresh date and value-added product market values. The contractor shall provide a recommended equipment list which will demonstrate potential U.S. equipment, supply, and technology providers. The contractor will also prepare a comprehensive list of potential U.S. cold storage infrastructure providers, manufacturers, and equipment suppliers to the international fresh and frozen produce industry.

The Contractor shall conduct the following tasks:

- i. Define all technical characteristics for the proposed storage facilities' layout including storage capacity, conceptual design, refrigeration capacity, humidity control, internal air flow, electricity requirement, equipment requirement, and supplies needed for the maintenance and operation of each proposed cold storage facility.
- ii. Review and update all implementation and operating costs and benefits of the Project. Estimate the economic internal rate of return (EIRR) on the basis of non-incremental and incremental economic benefits and economic costs (including economic capital, operation, and maintenance costs) in constant economic prices.
- iii. Develop a realistic and competitive fee structure for use of the cold storage structure and necessary equipment accessories, assess the adequacy of such charges to ensure sustained financial viability of the investment (covering operation and maintenance costs, depreciation, debt service in excess of depreciation, taxes, and reasonable profit).
- iv. Quantify losses under the existing conditions (in terms of postharvest quantity and quality losses during the entire marketing years), and quantify benefits gained (in terms of increased crop value when sold during the peak demand season) by enabling farmers to store dates until the peak demand seasons.

- v. Assess and prepare financial projections for the Project over 20 years of operation including balance sheet, income statement, and cash flow statement in nominal terms covering a period of 20 years. Assumptions made in the financial statements should be explained in detail. Financial projections should take into consideration the likely effects of inflation and the potential for exchange rate fluctuations.
- vi. Carry out a financial evaluation for the Project over the construction and operation period by calculating the Financial Internal Rate of Return (FIRR) and compare it with weighted average cost of capital (WACC). The FIRR and WACC should be computed using constant 2008 prices. The cost estimates and financial projections in nominal terms should be converted to real terms by removing the projected effects of foreign and domestic inflation and currency fluctuations. Incremental costs and benefits should be derived from evaluating the financial position under a with-project and without-project scenario.
- vii. Identify risk factors (e.g., the demand/production forecasting scenarios) and test the sensitivity of the project to these risk factors, and propose mitigating measures. Undertake sensitivity analysis by varying charges, costs, implementation delay, and combinations of these factors. Switching values for these factors, excluding implementation delay, should also be calculated. Review the sensitivity of the financial viability of the project to future exchange rate movements.
- viii. Undertake a financial management requirements assessment of the operating entity (as identified in Task 6) which should include (a) corporate planning and budgetary control, (b) financial and management accounting, and (c) internal control and audit system. The purpose of the financial management requirements assessment is to determine what capacity building at the system's operating entity should be considered.
- ix. Develop a best estimate of U.S. goods and services that could be used for Project implementation. This estimate should be supported by a breakdown by category and dollar value of goods and services likely to be required for Project implementation and an illustrative list of potential U.S. suppliers for equipment, supplies, and services for the proposed cold storage infrastructure. A report of discussions with a reasonable number of U.S. companies that could provide materials, equipment, supplies, and services, and their level of interest in the Project should also be included.
- x. Identify likely sources of financing. The Contractor should take special care to fully discuss each option with representatives of the World Bank, Islamic Development Bank, USAID, the Export-Import Bank of the United States, the Overseas Private Investment Corporation, MCC, and other international financial institutions that have already made significant investments of time, effort and capital in the Moroccan agricultural and agribusiness sector.

Deliverable: The contractor shall provide a detailed financial model including assumptions, input, and results of the financial modeling with all the financial indicators.

Task 8: Preliminary Environmental and Social Analysis

Although the Project is not expected to have any significant adverse environmental impacts, the Contractor shall conduct a preliminary environmental assessment, keying on potential impacts of the Project on (a) ecological resources, (b) cultural heritage sites and relics, (c) soil erosion, (d) noise and air quality, (e) potential accidents and spills of chemicals, and (f) local community disturbances from construction activities. The Contractor shall outline appropriate mitigation measures, management procedures and monitoring programs, if any.

The Contractor shall also conduct a preliminary social impact assessment of the Project. Although the utilization of the proposed cold storage facilities may entail certain expenditures to be incurred by the farmers, the gains resulting from improving the value of the crop will improve their revenues. Such issues should be taken into consideration, and should feed into the fees/tariffs to be developed in the financial analysis task. Another issue that should be addressed is the fact that despite the improved value of the crops, the farmers may have to wait for excessive periods of time without any kind of return. The social impacts of this should be also addressed.

It is important to note that consistent with prior arrangements, the Grantee expects to have a consultant in place by September 2008 to provide a variety of services for conducting feasibility studies, technical designs, and action plans for rehabilitation and intensification of dates in oases targeted by FPPP, which will include a Strategic Environmental Assessment (SEA). The Contractor shall communicate and coordinate closely with this consultant and the Grantee on all environmental and social assessments and analyses. Environmental and social issues that may require further analysis and/or mitigation shall be identified by the Contractor.

Deliverable: The contractor shall report on its findings of the preliminary environmental and social analysis in a Technical Memorandum.

Task 9: Training and Capacity Building

The Contractor shall provide training and capacity building to a number of the potential users of the proposed cold storage facilities, postharvest care technologies, and date agro-processing equipment. The objective of the training is to train participants on the economics of investments and expenditures related to cold storage, postharvest handling, and value-added date agro-processing. In order to utilize the proposed cold storage facilities, the farmers and farmer groups will incur additional expenses. Such expenses, however, will be compensated as a result of the increased market value of dates since they will be able to be stored until the peak demand season without a significant loss in market quality.

Due to the limited duration and budget of the Project, only a limited number of farmers can be trained. To guarantee sustainability of the training activity, the Contractor shall conduct a Training of Trainers (ToT) program that targets extension agents (the Grantee, Office Régional pour la Mise en Valeur Agricole (ORMVA), Centre de Mise en Valeur (CMV) staff) and key members and/or managers of relevant cooperatives (and others as appropriate), who in turn could be charged with the training of other farmers and/or members of their cooperatives.

The following sub-tasks shall be carried out by the Contractor:

Sub-Task 9.1 Developing Selection Criteria and Selection of Participants

In coordination with the Grantee and other relevant stakeholders, the Contractor shall develop the main criteria for trainees' selection. Although to be finalized with the Grantee, tentative selection criteria for the two trainee groups could include the following:

Cooperative Representatives	Individual Farmers
Size of cooperative	Geographic distribution
Areas planted by members of the cooperative	Area of farm
Geographic proximity to date areas	Level of literacy
Capacity and previous training received	Previous training
Levels of literacy amongst members	

The Contractor shall conduct site visits to individual farms, cooperatives and extension offices (the Grantee/ORMVA) in order to develop an in-depth understanding of the capacity and background of the potential trainees. Based on such site visits, and using information to be furnished by the Grantee, the Contractor shall coordinate with the Grantee to select two groups of trainees. It is envisioned that at least 30 trainees per group be identified and selected.

Sub-Task 9.2 Training Needs Assessment

With the objective of the training in mind, the Contractor shall, as part of the site visits mentioned above, conduct a training needs assessment to determine the key areas related to agricultural economics (including agricultural marketing and business), cold storage awareness, and postharvest care technologies for dates that need to be covered in the training materials to be developed. This assessment should serve as the main tool for the development of the training modules to be implemented. The Contractor shall also familiarize himself with any previous training programs that have been conducted in relevant fields in Morocco as well as those planned through the MCC-funded FTTP.

Sub-Task 9.3 Development of Training Modules

Based on the findings of the study component of the TA, and the training needs assessment mentioned above, the Contractor shall develop a practical, hands-on

Morocco-specific training program comprised of a number of modules as outlined below. All modules are to be prepared in English, French as well as Moroccan Arabic (i.e. the local Moroccan Arabic dialect), and the conduct of the training shall be in Moroccan Arabic. All training materials should be designed to be compatible with the participants' educational backgrounds, learning styles and technical levels.

Although to be finalized with the Grantee, it is expected that a three-day training program should be designed. The following are suggested modules for the two programs:

- Module I: Proper pre- and postharvest handling of dates
- Module II: Food safety management and hazards
- Module III: What is HACCP? Benefits of a HACCP system (in a simplified manner that suits the trainees' backgrounds)
- Module IV: Date postharvest quality maintenance (this should include the optimum storage conditions). This should also include equipment maintenance requirements and the various types of maintenance needed for equipment such as periodic, preventative, and other types of maintenance.
- Module V: Case Studies: this module should present a number of actual case studies (extracted from the participants own farming enterprises) on agriculture economics. As a result of this module, the trainees should acquire the skills of being able to conduct simple calculations on the worthiness of extra expenditures (in this case the cost for using the cold storage and postharvest care facilities) versus the gained benefit of being able to store the produce until the peak demand seasons, thus, obtain higher sale values.

Sub-Task 9.4 Delivery of Training

Once the training modules are completed and accepted by the Grantee, the Contractor shall deliver the Training of Trainers over the course of three days. The Training activity is to be conducted in conjunction with the Grantee and other governmental stakeholders. Feedback received on the training modules shall be used to finalize the training materials. The Contractor shall integrate follow-on and ongoing training and technical support activities into the training program already envisioned and under development by the Grantee under the FPPP.

The Contractor and the Grantee shall jointly decide on the venue of training and whether the training should be split into in-class training and field training. The Contractor shall be responsible for preparing all the logistics for the conduct of the training including all the materials to be distributed to the trainees in the forms of manuals and other training materials.

Task 10: Host Country Development Impacts

The Contractor shall conduct a host country development impact analysis. The host country development impacts analysis is intended to provide the project's decision-

makers and interested parties with a broader view of the project's potential effects on the host country. The analysis shall focus on what development impact is likely if the project is implemented according to the study recommendations. While specific focus shall be paid to the immediate impact of the project, analysis shall include any additional developmental benefits that may result from the project's implementation, including spin-off and demonstration effects. The factors to be considered will include but are not limited to the following:

Infrastructure - The Contractor shall analyze the impact that the infrastructure changes will have both on Morocco nationally and on the locations where the cold storage facilities are proposed.

Market- Oriented Reform - The Contractor shall provide a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.

Human Capacity Building - The Contractor shall assess the number and type of local positions that would be needed to construct and operate the proposed project, as well as the number of local people who would still need to receive training; describe such additional training programs. The Contractor shall also include an assessment of the multiplier effect on job creation in the agricultural and other sectors.

Technology Transfer and Productivity Enhancement - The Contractor shall include a description of any advanced technologies that would be utilized and/or developed as a result of the project. A description of any efficiency that would be gained (e.g. reduction of spoilage at each step of the chain) shall be included by the Contractor.

Other - The Contractor shall describe any other developmental impacts or benefits that would result from the project, for example, follow-on or replication projects for other crops, safer workplace, increased good governance or improved financial revenue flows to the Host Country.

Deliverable: The contractor shall prepare a report for the Grantee of at least one to two pages addressing the developmental impacts of the project.

Task 11: Final Report

The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, including all training materials, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared and delivered to USTDA in accordance with Clause I of Annex II of the Grant Agreement. The Contractor shall provide the Grantee with 6 copies of the final report in both English and in French on CD-ROM.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

Notes:

- (4) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (5) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (6) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

Annex II

USTDA Mandatory Contract Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this contract acknowledge that this contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and Ministère de l'Agriculture et de la Pêche Maritime ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to provide technical assistance ("TA") on the Cold Storage Needs for Palm Dates project ("Project") in Morocco ("Host Country"). Notwithstanding any other provisions of this contract, the following USTDA mandatory contract clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA mandatory contract clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and any contract or subcontract thereunder, the Grant Agreement shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Contract

All contracts funded under the Grant Agreement, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing in order to be effective with respect to the expenditure of USTDA Grant funds. USTDA will not authorize the disbursement of USTDA Grant funds until the contract has been formally approved by USTDA or until the contract conforms to modifications required by USTDA during the contract review process.

(2) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this contract and amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing the TA and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar

the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

C. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the TA and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to TA support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

D. Recordkeeping and Audit

The Contractor and subcontractors funded under the Grant Agreement shall maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the contract. These books, records, and other documents shall clearly identify and track the use and expenditure of USTDA funds, separately from other funding sources. Such books, records, and documents shall be maintained during the contract term and for a period of three (3) years after final disbursement by USTDA. The Contractor and subcontractors shall afford USTDA, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

E. U.S. Carriers

(1) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(2) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

F. Workman's Compensation Insurance

The Contractor shall provide adequate Workman's Compensation Insurance coverage for work performed under this Contract.

G. Reporting Requirements

The Contractor shall advise USTDA by letter as to the status of the Project on March 1st annually for a period of two (2) years after completion of the TA. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and designate the Contractor's contact point including name, telephone, and fax number. Since this information may be made publicly available by USTDA, any information which is confidential shall be designated as such by the Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such information in accordance with applicable law.

H. Disbursement Procedures

(1) USTDA Approval of Contract

Disbursement of Grant funds will be made only after USTDA approval of this contract. To make this review in a timely fashion, USTDA must receive from either the Client or the Contractor a photocopy of an English language version of a signed contract or a final negotiated draft version to the attention of the General Counsel's office at USTDA's address listed in Clause M below.

(2) Payment Schedule Requirements

A payment schedule for disbursement of Grant funds to the Contractor shall be included in this Contract. Such payment schedule must conform to the following USTDA requirements: (1) up to twenty percent (20%) of the total USTDA Grant amount may be used as a mobilization payment; (2) all other payments, with the exception of the final payment, shall be based upon contract performance milestones; and (3) the final payment may be no less than fifteen percent (15%) of the total USTDA Grant amount, payable upon receipt by USTDA of an approved Final Report in accordance with the specifications and quantities set forth in Clause I below. Invoicing procedures for all payments are described below.

(3) Contractor Invoice Requirements

USTDA will make all disbursements of USTDA Grant funds directly to the Contractor. The Contractor must provide USTDA with an ACH Vendor Enrollment Form (available from USTDA) with the first invoice. The Client shall request disbursement of funds by

USTDA to the Contractor for performance of the contract by submitting the following to USTDA:

(a) Contractor's Invoice

The Contractor's invoice shall include reference to an item listed in the Contract payment schedule, the requested payment amount, and an appropriate certification by the Contractor, as follows:

(i) For a mobilization payment (if any):

"As a condition for this mobilization payment, the Contractor certifies that it will perform all work in accordance with the terms of its Contract with the Client. To the extent that the Contractor does not comply with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA. "

(ii) For contract performance milestone payments:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(iii) For final payment:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. Specifically, the Contractor has submitted the Final Report to the Client, as required by the Contract, and received the Client's approval of the Final Report. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(b) Client's Approval of the Contractor's Invoice

(i) The invoice for a mobilization payment must be approved in writing by the Client.

(ii) For contract performance milestone payments, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and the terms and conditions of the USTDA Grant Agreement."

(iii) For final payment, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and terms and conditions of the USTDA Grant Agreement. The Final Report submitted by the Contractor has been reviewed and approved by the Client. "

(c) USTDA Address for Disbursement Requests

Requests for disbursement shall be submitted by courier or mail to the attention of the Finance Department at USTDA's address listed in Clause M below.

(4) Termination

In the event that the Contract is terminated prior to completion, the Contractor will be eligible, subject to USTDA approval, for reasonable and documented costs which have been incurred in performing the Terms of Reference prior to termination, as well as reasonable wind down expenses. Reimbursement for such costs shall not exceed the total amount of undisbursed Grant funds. Likewise, in the event of such termination, USTDA is entitled to receive from the Contractor all USTDA Grant funds previously disbursed to the Contractor (including but not limited to mobilization payments) which exceed the reasonable and documented costs incurred in performing the Terms of Reference prior to termination.

I. USTDA Final Report

(1) Definition

"Final Report" shall mean the Final Report described in the attached Annex I Terms of Reference or, if no such "Final Report" is described therein, "Final Report" shall mean a substantive and comprehensive report of work performed in accordance with the attached Annex I Terms of Reference, including any documents delivered to the Client.

(2) Final Report Submission Requirements

The Contractor shall provide the following to USTDA:

- (a) One (1) complete version of the Final Report for USTDA's records. This version shall have been approved by the Client in writing and must be in the English language. It is the responsibility of the Contractor to ensure that confidential information, if any, contained in this version be clearly marked. USTDA will maintain the confidentiality of such information in accordance with applicable law.

and

(b) One (1) copy of the Final Report suitable for public distribution ("Public Version"). The Public Version shall have been approved by the Client in writing and must be in the English language. As this version will be available for public distribution, it must not contain any confidential information. If the report in (a) above contains no confidential information, it may be used as the Public Version. In any event, the Public Version must be informative and contain sufficient Project detail to be useful to prospective equipment and service providers.

and

(c) Two (2) CD-ROMs, each containing a complete copy of the Public Version of the Final Report. The electronic files on the CD-ROMs shall be submitted in a commonly accessible read-only format. As these CD-ROMs will be available for public distribution, they must not contain any confidential information. It is the responsibility of the Contractor to ensure that no confidential information is contained on the CD-ROMs.

The Contractor shall also provide one (1) copy of the Public Version of the Final Report to the Foreign Commercial Service Officer or the Economic Section of the U.S. Embassy in Host Country for informational purposes.

(3) Final Report Presentation

All Final Reports submitted to USTDA must be paginated and include the following:

(a) The front cover of every Final Report shall contain the name of the Client, the name of the Contractor who prepared the report, a report title, USTDA's logo, USTDA's mailing and delivery addresses. If the complete version of the Final Report contains confidential information, the Contractor shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The Contractor shall be responsible for labeling the front cover of the Public Version of the Final Report with the term "Public Version." The front cover of every Final Report shall also contain the following disclaimer:

"This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U. S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain USTDA's logo, USTDA's mailing and delivery addresses, and USTDA's mission statement.

Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

(c) The Contractor shall affix to the front of the CD-ROM a label identifying the Host Country, USTDA Activity Number, the name of the Client, the name of the Contractor who prepared the report, a report title, and the following language:

“The Contractor certifies that this CD-ROM contains the Public Version of the Final Report and that all contents are suitable for public distribution.”

(d) The Contractor and any subcontractors that perform work pursuant to the Grant Agreement must be clearly identified in the Final Report. Business name, point of contact, address, telephone and fax numbers shall be included for Contractor and each subcontractor.

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, shall identify the availability of prospective U.S. sources of supply. Business name, point of contact, address, telephone and fax numbers shall be included for each commercial source.

(f) The Final Report shall be accompanied by a letter or other notation by the Client which states that the Client approves the Final Report. A certification by the Client to this effect provided on or with the invoice for final payment will meet this requirement.

J. Modifications

All changes, modifications, assignments or amendments to this contract, including the appendices, shall be made only by written agreement by the parties hereto, subject to written USTDA approval.

K. TA Schedule

(1) TA Completion Date

The completion date for the TA, which is January 7, 2010, is the date by which the parties estimate that the TA will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

L. Business Practices

The Contractor agrees not to pay, promise to pay, or authorize the payment of any money or anything of value, directly or indirectly, to any person (whether a governmental official or private individual) for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the TA. The Client agrees not to receive any such payment. The Contractor and the Client agree that each will require that any agent or representative hired to represent them in connection with the TA will comply with this paragraph and all laws which apply to activities and obligations of each party under this Contract, including but not limited to those laws and obligations dealing with improper payments as described above.

M. USTDA Address and Fiscal Data

Any communication with USTDA regarding this Contract shall be sent to the following address and include the fiscal data listed below:

U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, Virginia 22209-3901
USA

Phone: (703) 875-4357
Fax: (703) 875-4009

Fiscal Data:

Appropriation No.: 118/91001
Activity No.: 2008-21022A
Reservation No.: 2008210034
Grant No.: GH2008210009

N. Definitions

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Grant Agreement.

O. Taxes

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Client nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

ANNEX 5

TERMS OF REFERENCE

The objective of the proposed project is to provide technical assistance that will include a comprehensive study to identify the specific needs of and feasibility for date cold storage and associated postharvest handling infrastructure, including value-added product agro-processing facilities, that would help reduce the losses in quantity and quality of dates in Morocco. This will include the assessment of the needs in terms of the most appropriate postharvest handling, storage, and market preparation technologies (i.e. cleaning, grading, packing, dehydration/hydration, insect disinfestation, packaging), and the appropriate quantity/sizes of cold storage facilities. The TA would determine the technical and financial feasibility of investing in a cold storage network and affiliated postharvest care infrastructure for dates in the 5 main production provinces of Morocco.

The Consultant is expected to perform the technical reviews, analyses, environmental assessment, conceptual technical designs and specifications, and all the related activities required to attain the objective referred to above. The Government of Morocco may present the Project to bilateral or international agencies for financing. The final report must, therefore, include all the information required for appraisal of the Project by bilateral or international financing agencies.

For this technical assistance, a core team of five experts (international and/or local) will be required including:

- ◆ Postharvest Horticulturalist (with production background and experience with date storage)
- ◆ Agricultural Marketing Specialist (with expertise in fresh fruit/vegetables and value-added agro-processed products)
- ◆ Mechanical Engineer/Refrigeration Specialist (with commercial experience in the design and operation of cold and frozen food facilities)
- ◆ Legal/Public Private Partnership Specialist
- ◆ Financial Analyst

The core team should be supplemented by local experts (in accordance with Clause C of the USTDA Mandatory Contract Clauses attached as Annex II) to assist with the technical, cultural and country-specific issues and with the training activities that must be conducted in Moroccan Arabic.

Specific tasks of this project are as follows:

Task 1: Project Start-Up and Kick-off

The Contractor shall travel to Morocco and meet with the Grantee in Rabat to discuss the basis for the project and its objectives and to develop a clear and comprehensive understanding of the Millennium Challenge Account (MCA) Compact and the Fruit Tree Productivity Project (FTPP) activities related to dates in coordination with MCC (Millennium Challenge Corporation). Other stakeholders that the Contractor shall meet with include Agence du Partenariat pour le Progrès (APP), the Regional Centers of Agronomic Research, the Experimental Stations for Agriculture value Upgrading, members of the Research and Coordination Committee, members of the National Institute of Agronomic Research, and others that would be suggested by the Grantee and APP.

The Contractor and Grantee shall also review all relevant and available agricultural production, postharvest care, and marketing data for dates. In addition, the Contractor shall review previously accumulated studies and data by the Grantee, other relevant Moroccan ministries, the World Bank, USAID projects, and other donor-funded project reports on agricultural developments specific to the Moroccan date palm value chain and marketing. The Contractor shall collect additional information, as needed, and based upon this review, a database listing of all information reviewed will be compiled by the Contractor.

Deliverable: The contractor shall provide to the Grantee a database of all available information literature gathered during the kick-off activity.

Task 2: Development of Site Inventories

Under this Task, the Contractor shall, in coordination with the Grantee, identify all the locations in which there are concentrations of date production. The work will be focused in the five provinces of the date palm oasis area covered under the FFTP of the MCA Compact. The Grantee and MCC experts strongly believe that cold storage and related facilities would be best located within the production areas because of the substantial economic benefits that will be generated as a result for local farm families and other rural inhabitants.

For each of the five provinces, the Contractor shall gather information related to the following:

- Productivity rates and histories of date production
- Any documented postharvest losses in dates
- The different cultivars of dates produced in the various areas with the various production volumes for each cultivar
- The tree densities for the various cultivars geographically categorized along with indications on the approximate ages of the trees

- The harvest period for the different date cultivars in each of the 5 oases provinces and current state of the domestic and export markets for Moroccan dates.
- Serviceability of the various areas focusing on the availability of potable water, availability of 3-phase electricity, transportation infrastructure, etc.

Deliverable: The contractor shall prepare a report for the Grantee on the site inventories for the five locations detailing all the information gathered during the task.

Task 3: Demand and Marketing Analyses

The Contractor shall gather information related to the domestic and export market demand and consumption of fresh dates and value-added date products (such as dried dates, date pastes, and others). The information shall be collected on a geographic basis to identify the major wholesale and retail marketing channels and demand centers throughout Morocco and international market destinations. The contractor shall determine the quantities (and histories) of date demand and identify the main seasons for demand. This should be broken down by cultivar and maturity stage (e.g., khalal, rutab, tamar). Once the demand quantities and seasons in the various domestic and international markets are identified, the Contractor shall study the sources and proportions for meeting the demand in each of the domestic and export markets in terms of local production and imports.

The Contractor shall also gather the information needed to develop a detailed description of the marketing and value chain as it relates to dates. The contractor shall include a development of details on the key processes and inputs that contribute to the final product including but not limited to:

- Input supply
- Production practices (pre-harvest)
- Harvesting practices
- Postharvest handling
- Cooling
- Dehydration/hydration
- Insect disinfestation
- Steps in market preparation (cleaning, grading/sorting, packing)
- Value-added agro-processing

- Packaging materials
- Transportation
- Wholesale marketing and distribution
- Retail marketing Consumer preference according to cultivar and per capita consumption, and
- any other relevant postharvest handling issues (i.e. use of Hazard Analysis Critical Control Point (HACCP), Global Good Agricultural Practice(GAP) certification, best management practices)

In addition, the contractor shall collect and analyze information on the following:

- Major players in the wholesale and retail marketing channels for fresh dates and their value-added products
- Classification of major date producers (family business, private commercial farming, public producers,...etc.)
- Commission buyers (agents) who usually buy dates on behalf of participants further down the marketing chain (mainly processors or exporters)
- Packers and processors of dates
- Exporters of dates
- Importers of dates
- Retailers (including high-end grocery chains like Marjane).

In addition, the Contractor shall gather information relevant to the costs associated with the various value chain components including the harvesting phase, cleaning/grading/packing, transportation, and marketing. The Contractor shall also collect data and information regarding the value of fresh and agro-processed date products obtained by the growers in the different production areas.

At the end of this Task, the Contractor will be able to preliminarily determine the optimal locations for cold storage facilities to help store fresh dates from the main production areas, in order to serve the key demand areas. The storage will be on a long-term basis to allow for fresh dates harvested in October-December to be marketed for up to a year later.

Deliverable: The contractor shall prepare a report on the findings of the marketing analysis task and a detailed description on the marketing chain for dates in Morocco.

Task 4: Demand Forecast

The Contractor shall discuss with the Grantee, the FPHP and other development activities in Morocco related to dates and shall conduct a demand and production forecasting analysis. The contractor shall project the current demand and production statistics for fresh dates and value-added date products (i.e. paste, syrups, preserves, purees, etc.) into a future year to be agreed upon with the Grantee. It is recommended, however, that demand be projected for the next 15 to 20 years under a number of scenarios (e.g., pessimistic, neutral, and optimistic). This will allow for the conduct of sensitivity analysis once the financial feasibility tasks are commenced.

Deliverable: The contractor shall prepare a future demand forecasting model including all the assumptions made to arrive at such demand forecasts.

Task 5: Facility and Equipment Requirements

Based on the identification of the key locations where cold storage facilities are needed, and the demand/production forecasting, the Contractor shall develop a proposal for an optimal network of cold storage facilities for dates. The proposal shall include the definition of the locations of such facilities, the specific volume of storage capacity in each area, conceptual designs of the individual storage facilities recommended for each area to include:

- refrigeration capacity for each recommended storage facility
- temperature and humidity control and monitoring equipment
- insulation requirements
- internal air flow capacity and design
- foundation, wall, and roof specifications
- water and electricity requirements
- packinghouse equipment needed
- cleaning
- grading
- sorting
- machinery

- dehydration and hydration equipment
- insect disinfestation infrastructure
- packaging materials and equipment
- value-added agro-processing equipment
- date surface coating equipment
- seed separators
- extruders for paste
- forklifts

The proposal shall also address other needed infrastructure, equipment, and supplies for cold storage facilities to accommodate the projected production/demand. The postharvest storage infrastructure should include representative examples appropriate to small, medium-scale date producers/grower associations/cooperatives. Although the proposed date storage infrastructure should be developed for the long-term for the country, the contractor shall work with the Grantee to develop a phased approach based upon agreed priority stages of cold chain development. The Contractor shall also develop an implementation plan for the various recommended cold storage facilities in the network.

The storage capacities should be determined to accommodate the needed storage duration(s), which is dependent on the intended end-use of the crop. For example, the duration of the storage will depend on demand trends, fruit maturity stage, and cultivar. The Contractor, therefore, shall take all these issues into consideration when determining the facility and equipment requirements. In addition, the Contractor shall coordinate with the food safety specifications as per Grantee requirements and international standards (i.e., GlobalGAP certification, HACCP, etc.). The Contractor shall also consult with key stakeholders who will most probably use the proposed facilities. This includes agricultural associations, cooperatives, and farmer groups.

The Contractor shall determine the needed refrigeration and cooling technologies and technical infrastructure and associated equipment specifications for fresh dates at each recommended location in the oasis areas. For the various identified equipment, the Contractor shall develop a list of priority capital expenditures on cold chain equipment and infrastructure that need to be undertaken to meet international standards. In addition, the Contractor shall recommend any other elements not considered in the above list that they believe are necessary for or would enhance Cold Chain operations for dates.

Deliverable: The contractor shall prepare a detailed report on cold chain and cold storage requirements outlining the technical specifications needed.

Task 6: Institutional Arrangements

As part of the assessment, the Contractor shall identify the various institutional arrangements for the ownership, management, and implementation of date cold storage facilities in Morocco. The Contractor shall explore and study the various options such as governmental ownership, private investment/ownership, public-private partnerships, lease-purchase, and others. The assessment should include governmental entities such as Ministry of Agriculture and Maritime Fishing, Ministry of Interior, and other non-governmental and private sector entities.

The contractor shall include an analysis of the legal framework to ensure the compliance of the proposed institutional arrangement with existing legislation. The assessment should also address the institutional capacities of the various entities (governmental and private) to determine any capacity building needs.

At the end of this assessment, the Contractor shall present the various options for implementing a comprehensive date cold storage and value-added agro-processing facility infrastructure and affiliated equipment requirement to allow the Moroccan date sector to provide consistent supplies of high quality dates and date products to domestic and international markets. The contractor shall include a recommended implementation plan with an anticipated schedule of major goals for awarding concessions, constructing the improvements and operating the facilities. The contractor shall include a timeframe and guidance on:

- Preparing the bids/ concessions
- Awarding the bids/ concessions
- Designing the facilities
- Constructing the facilities
- Operating the System

Deliverable: The contractor shall provide a detailed report on the institutional assessment and a report detailing the recommendations in terms of the proposed management/ownership structure.

Task 7: Financial and Technical Analysis

The Consultant shall conduct a financial and technical analysis of the implementation of a cold storage facilities' network in Morocco. The analysis shall include full costs of all cold storage infrastructure and equipment, construction, utilities (water, electricity, and sewage),

costs of operations, and revenues from the storage use fees, reduction in postharvest losses, and improved fresh date and value-added product market values. The contractor shall provide a recommended equipment list which will demonstrate potential U.S. equipment, supply, and technology providers. The contractor will also prepare a comprehensive list of potential U.S. cold storage infrastructure providers, manufacturers, and equipment suppliers to the international fresh and frozen produce industry.

The Contractor shall conduct the following tasks:

- i. Define all technical characteristics for the proposed storage facilities' layout including storage capacity, conceptual design, refrigeration capacity, humidity control, internal air flow, electricity requirement, equipment requirement, and supplies needed for the maintenance and operation of each proposed cold storage facility.
- ii. Review and update all implementation and operating costs and benefits of the Project. Estimate the economic internal rate of return (EIRR) on the basis of non-incremental and incremental economic benefits and economic costs (including economic capital, operation, and maintenance costs) in constant economic prices.
- iii. Develop a realistic and competitive fee structure for use of the cold storage structure and necessary equipment accessories, assess the adequacy of such charges to ensure sustained financial viability of the investment (covering operation and maintenance costs, depreciation, debt service in excess of depreciation, taxes, and reasonable profit).
- iv. Quantify losses under the existing conditions (in terms of postharvest quantity and quality losses during the entire marketing years), and quantify benefits gained (in terms of increased crop value when sold during the peak demand season) by enabling farmers to store dates until the peak demand seasons.
- v. Assess and prepare financial projections for the Project over 20 years of operation including balance sheet, income statement, and cash flow statement in nominal terms covering a period of 20 years. Assumptions made in the financial statements should be explained in detail. Financial projections should take into consideration the likely effects of inflation and the potential for exchange rate fluctuations.
- vi. Carry out a financial evaluation for the Project over the construction and operation period by calculating the Financial Internal Rate of Return (FIRR) and compare it with weighted average cost of capital (WACC). The FIRR and WACC should be computed using constant 2008 prices. The cost estimates and financial projections in nominal terms should be converted to real terms by removing the projected effects of foreign and domestic inflation and currency fluctuations. Incremental costs and benefits should be derived from evaluating the financial position under a with-project and without-project scenario.
- vii. Identify risk factors (e.g., the demand/production forecasting scenarios) and test the sensitivity of the project to these risk factors, and propose mitigating measures. Undertake sensitivity analysis by varying charges, costs, implementation delay, and

combinations of these factors. Switching values for these factors, excluding implementation delay, should also be calculated. Review the sensitivity of the financial viability of the project to future exchange rate movements.

- viii. Undertake a financial management requirements assessment of the operating entity (as identified in Task 6) which should include (a) corporate planning and budgetary control, (b) financial and management accounting, and (c) internal control and audit system. The purpose of the financial management requirements assessment is to determine what capacity building at the system's operating entity should be considered.
- ix. Develop a best estimate of U.S. goods and services that could be used for Project implementation. This estimate should be supported by a breakdown by category and dollar value of goods and services likely to be required for Project implementation and an illustrative list of potential U.S. suppliers for equipment, supplies, and services for the proposed cold storage infrastructure. A report of discussions with a reasonable number of U.S. companies that could provide materials, equipment, supplies, and services, and their level of interest in the Project should also be included.
- x. Identify likely sources of financing. The Contractor should take special care to fully discuss each option with representatives of the World Bank, Islamic Development Bank, USAID, the Export-Import Bank of the United States, the Overseas Private Investment Corporation, MCC, and other international financial institutions that have already made significant investments of time, effort and capital in the Moroccan agricultural and agribusiness sector.

Deliverable: The contractor shall provide a detailed financial model including assumptions, input, and results of the financial modeling with all the financial indicators.

Task 8: Preliminary Environmental and Social Analysis

Although the Project is not expected to have any significant adverse environmental impacts, the Contractor shall conduct a preliminary environmental assessment, keying on potential impacts of the Project on (a) ecological resources, (b) cultural heritage sites and relics, (c) soil erosion, (d) noise and air quality, (e) potential accidents and spills of chemicals, and (f) local community disturbances from construction activities. The Contractor shall outline appropriate mitigation measures, management procedures and monitoring programs, if any.

The Contractor shall also conduct a preliminary social impact assessment of the Project. Although the utilization of the proposed cold storage facilities may entail certain expenditures to be incurred by the farmers, the gains resulting from improving the value of the crop will improve their revenues. Such issues should be taken into consideration, and

should feed into the fees/tariffs to be developed in the financial analysis task. Another issue that should be addressed is the fact that despite the improved value of the crops, the farmers may have to wait for excessive periods of time without any kind of return. The social impacts of this should be also addressed.

It is important to note that consistent with prior arrangements, the Grantee expects to have a consultant in place by September 2008 to provide a variety of services for conducting feasibility studies, technical designs, and action plans for rehabilitation and intensification of dates in oases targeted by FTTP, which will include a Strategic Environmental Assessment (SEA). The Contractor shall communicate and coordinate closely with this consultant and the Grantee on all environmental and social assessments and analyses. Environmental and social issues that may require further analysis and/or mitigation shall be identified by the Contractor.

Deliverable: The contractor shall report on its findings of the preliminary environmental and social analysis in a Technical Memorandum.

Task 9: Training and Capacity Building

The Contractor shall provide training and capacity building to a number of the potential users of the proposed cold storage facilities, postharvest care technologies, and date agro-processing equipment. The objective of the training is to train participants on the economics of investments and expenditures related to cold storage, postharvest handling, and value-added date agro-processing. In order to utilize the proposed cold storage facilities, the farmers and farmer groups will incur additional expenses. Such expenses, however, will be compensated as a result of the increased market value of dates since they will be able to be stored until the peak demand season without a significant loss in market quality.

Due to the limited duration and budget of the Project, only a limited number of farmers can be trained. To guarantee sustainability of the training activity, the Contractor shall conduct a Training of Trainers (ToT) program that targets extension agents (the Grantee, Office Régional pour la Mise en Valeur Agricole (ORMVA), Centre de Mise en Valeur (CMV) staff) and key members and/or managers of relevant cooperatives (and others as appropriate), who in turn could be charged with the training of other farmers and/or members of their cooperatives.

The following sub-tasks shall be carried out by the Contractor:

Sub-Task 9.1 Developing Selection Criteria and Selection of Participants

In coordination with the Grantee and other relevant stakeholders, the Contractor shall develop the main criteria for trainees' selection. Although to be finalized with the Grantee, tentative selection criteria for the two trainee groups could include the following:

Cooperative Representatives

Size of cooperative
Areas planted by members of the cooperative
Geographic proximity to date areas
Capacity and previous training received
Levels of literacy amongst members

Individual Farmers

Geographic distribution
Area of farm
Level of literacy
Previous training

The Contractor shall conduct site visits to individual farms, cooperatives and extension offices (the Grantee/ORMVA) in order to develop an in-depth understanding of the capacity and background of the potential trainees. Based on such site visits, and using information to be furnished by the Grantee, the Contractor shall coordinate with the Grantee to select two groups of trainees. It is envisioned that at least 30 trainees per group be identified and selected.

Sub-Task 9.2 Training Needs Assessment

With the objective of the training in mind, the Contractor shall, as part of the site visits mentioned above, conduct a training needs assessment to determine the key areas related to agricultural economics (including agricultural marketing and business), cold storage awareness, and postharvest care technologies for dates that need to be covered in the training materials to be developed. This assessment should serve as the main tool for the development of the training modules to be implemented. The Contractor shall also familiarize himself with any previous training programs that have been conducted in relevant fields in Morocco as well as those planned through the MCC-funded FPPP.

Sub-Task 9.3 Development of Training Modules

Based on the findings of the study component of the TA, and the training needs assessment mentioned above, the Contractor shall develop a practical, hands-on Morocco-specific training program comprised of a number of modules as outlined below. All modules are to be prepared in English, French as well as Moroccan Arabic (i.e. the local Moroccan Arabic dialect), and the conduct of the training shall be in Moroccan Arabic. All training materials should be designed to be compatible with the participants' educational backgrounds, learning styles and technical levels.

Although to be finalized with the Grantee, it is expected that a three-day training program should be designed. The following are suggested modules for the two programs:

- Module I: Proper pre- and postharvest handling of dates
- Module II: Food safety management and hazards
- Module III: What is HACCP? Benefits of a HACCP system (in a simplified manner that suits the trainees' backgrounds)

- Module IV: Date postharvest quality maintenance (this should include the optimum storage conditions). This should also include equipment maintenance requirements and the various types of maintenance needed for equipment such as periodic, preventative, and other types of maintenance.
- Module V: Case Studies: this module should present a number of actual case studies (extracted from the participants own farming enterprises) on agriculture economics. As a result of this module, the trainees should acquire the skills of being able to conduct simple calculations on the worthiness of extra expenditures (in this case the cost for using the cold storage and postharvest care facilities) versus the gained benefit of being able to store the produce until the peak demand seasons, thus, obtain higher sale values.

Sub-Task 9.4 Delivery of Training

Once the training modules are completed and accepted by the Grantee, the Contractor shall deliver the Training of Trainers over the course of three days. The Training activity is to be conducted in conjunction with the Grantee and other governmental stakeholders. Feedback received on the training modules shall be used to finalize the training materials. The Contractor shall integrate follow-on and ongoing training and technical support activities into the training program already envisioned and under development by the Grantee under the FTTP.

The Contractor and the Grantee shall jointly decide on the venue of training and whether the training should be split into in-class training and field training. The Contractor shall be responsible for preparing all the logistics for the conduct of the training including all the materials to be distributed to the trainees in the forms of manuals and other training materials.

Task 10: Host Country Development Impacts

The Contractor shall conduct a host country development impact analysis. The host country development impacts analysis is intended to provide the project's decision-makers and interested parties with a broader view of the project's potential effects on the host country. The analysis shall focus on what development impact is likely if the project is implemented according to the study recommendations. While specific focus shall be paid to the immediate impact of the project, analysis shall include any additional developmental benefits that may result from the project's implementation, including spin-off and demonstration effects. The factors to be considered will include but are not limited to the following:

Infrastructure - The Contractor shall analyze the impact that the infrastructure changes will have both on Morocco nationally and on the locations where the cold storage facilities are proposed.

Market- Oriented Reform - The Contractor shall provide a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.

Human Capacity Building - The Contractor shall assess the number and type of local positions that would be needed to construct and operate the proposed project, as well as the number of local people who would still need to receive training; describe such additional training programs. The Contractor shall also include an assessment of the multiplier effect on job creation in the agricultural and other sectors.

Technology Transfer and Productivity Enhancement - The Contractor shall include a description of any advanced technologies that would be utilized and/or developed as a result of the project. A description of any efficiency that would be gained (e.g. reduction of spoilage at each step of the chain) shall be included by the Contractor.

Other - The Contractor shall describe any other developmental impacts or benefits that would result from the project, for example, follow-on or replication projects for other crops, safer workplace, increased good governance or improved financial revenue flows to the Host Country.

Deliverable: The contractor shall prepare a report for the Grantee of at least one to two pages addressing the developmental impacts of the project.

Task 11: Final Report

The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference (“Final Report”). The Final Report shall be organized according to the above tasks, including all training materials, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared and delivered to USTDA in accordance with Clause I of Annex II of the Grant Agreement. The Contractor shall provide the Grantee with 6 copies of the final report in both English and in French on CD-ROM.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.

- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

Notes:

- (4) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (5) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (6) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.