

Monetization Manual Appendix D

APPR: TO (JO)
DRAFT: JB (JB)
CLEAR: JM (JM)
CLEAR: DH (DF)
CLEAR: TP (TP)
CLEAR:
CLEAR:

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AID/FFP/POD:JBRAUSE:MEB:BELLMON3.CBL
05/05/98 202-712-5482
AID/FFP/D:TOLIVER

BHR/FFP/DD:JMARKUNAS (DFT) AFR/DP/PFP:RGOLD (INFO)
ANE/ORAL:LLWILLIAMS (INFO) LAC/RSD: BVANHAEFTEN (INFO)
BHR/FFP/ER:DHAGEN (DFT) BHR/FFP/DP: DNELSON (INFO)
GC/BHR:TPOSEY (DFT)

ROUTINE LUANDA, COTONOU, OUAGADOUGOU, PRAIA, ASMARA, ADDIS ABABA,
BANJUL, ACCRA, ROME, MONROVIA, ANTANANARIVO, ABIDJAN, NAIROBI, CONT.

AIDAC: ROME FOR PODAG; NAIROBI AND ABIDJAN FOR REDSO

E.O. 12958: N/A

TAGS:

SUBJECT: BELLMON CERTIFICATION REQUIREMENTS FOR P.L. 480
TITLE II ACTIVITIES

1) THIS IS AN ACTION MESSAGE FOR ALL POSTS AND MISSIONS
IN COUNTRIES WHERE PUBLIC LAW 480 (P.L. 480) TITLE II
COMMODITIES ARE USED TO SUPPORT EITHER NON-EMERGENCY OR
EMERGENCY FOOD ASSISTANCE ACTIVITIES. SEE PARAGRAPH 5, FOR
ACTION REQUESTS.

SECTIONS 403 (A) AND (B) OF P.L. 480, AS AMENDED SPECIFY AS
FOLLOWS:

QUOTE

(A) PROHIBITION -- NO AGRICULTURAL COMMODITY SHALL BE MADE
AVAILABLE UNDER THIS ACT UNLESS IT IS DETERMINED THAT --
(1) ADEQUATE STORAGE FACILITIES WILL BE AVAILABLE IN THE
RECIPIENT COUNTRY AT THE TIME OF THE ARRIVAL OF THE
COMMODITY TO PREVENT THE SPOILAGE OR WASTE OF THE
COMMODITY; AND
(2) THE DISTRIBUTION OF THE COMMODITY IN THE RECIPIENT
COUNTRY WILL NOT RESULT IN A SUBSTANTIAL DISINCENTIVE TO
INTERFERENCE WITH DOMESTIC PRODUCTION OR MARKETING IN
THAT COUNTRY.

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(B) IMPACT ON LOCAL FARMERS AND ECONOMY- -THE SECRETARY OR THE ADMINISTRATOR, AS APPROPRIATE, SHALL ENSURE THAT THE IMPORTATION OF UNITED STATES AGRICULTURAL COMMODITIES AND THE USE OF LOCAL CURRENCIES FOR DEVELOPMENT PURPOSES WILL NOT HAVE A DISRUPTIVE IMPACT ON THE FARMERS OR THE LOCAL ECONOMY OF THE RECIPIENT COUNTRY.
ENDQUOTE

THESE AMENDMENTS, COMMONLY REFERRED TO AS QUOTE BELLMON AMENDMENTS UNQUOTE, REPRESENT A NUMBER OF CRITICAL PROGRAMMATIC BENCHMARKS WHICH MUST BE VALIDATED BY USAID BEFORE TITLE II COMMODITIES CAN BE DELIVERED TO A COUNTRY.

THIS CABLE EXPLAINS THE RESPONSIBILITIES OF THE USAID MISSION, OR, IN COUNTRIES WHERE NO USAID MISSION IS PRESENT, THE UNITED STATES DIPLOMATIC POST, IN THE COORDINATION OF ANALYSES AND THE PREPARATION OF RECOMMENDATIONS TO THE DIRECTOR OF THE OFFICE OF FOOD FOR PEACE (BHR/FFP) REGARDING THE BELLMON AMENDMENT REQUIREMENTS.

2) USAID REGULATION 11 PROVIDES THE STANDARD TERMS AND CONDITIONS APPLICABLE TO TITLE II ACTIVITIES, EXCEPT THOSE CONDUCTED BY THE AGENCIES OF THE UNITED NATIONS AND THE WORLD FOOD PROGRAM. SECTION 211.5 (A) OF REGULATION 11 STATES THAT A COOPERATING SPONSOR MUST SUBMIT AN OPERATIONAL PLAN FOR A PROPOSED TITLE II ACTIVITY TO THE USAID MISSION OR THE DIPLOMATIC POST, AS APPROPRIATE. THE OPERATIONAL PLAN SHOULD INCLUDE INFORMATION FROM WHICH IT MAY BE DETERMINED THAT THE DISTRIBUTION OR SALE (MONETIZATION) OF TITLE II COMMODITIES IN THE RECIPIENT COUNTRY OR THE COUNTRY OF SALE (IN THE CASE OF THIRD COUNTRY MONETIZATIONS) WILL NOT VIOLATE ANY OF THE BELLMON AMENDMENT REQUIREMENTS DETAILED ABOVE.

3) SECTION 211.5 (A) OF REGULATION 11 REQUIRES THE COOPERATING SPONSOR TO INCLUDE IN THE PROPOSAL IT SUBMITS TO THE MISSION ADEQUATE INFORMATION ON STORAGE AND DISTRIBUTION TO SEE THAT BELLMON IS SATISFIED. FURTHER, APPENDIX I, SECTION C. OF REGULATION 11 STATES, IN PART, THAT A USAID MISSION OR DIPLOMATIC POST IS EXPECTED TO COMMENT ON THE SUBSTANCE AND ADEQUACY OF A NON-GOVERNMENTAL COOPERATING SPONSOR'S OPERATIONAL PLAN. THE MISSION IS THEN RESPONSIBLE FOR BELLMON REQUIREMENTS AS PART OF ITS APPROVAL OF THE PROPOSAL BEFORE IT GOES TO BHR/FFP FOR FINAL APPROVAL IN ALL RESPECTS (SEE HANDBOOK 9, CHAPTER 6B, PARAGRAPH 3 AND CHAPTER 7F.2.G.) . COMMENTS FROM THE MISSION MUST SPECIFICALLY INCLUDE A STATEMENT THAT THE PRINCIPAL OFFICER OF THE USAID MISSION, OR, THE U.S. DIPLOMATIC POST IF THERE IS NO USAID, EITHER

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HAS DETERMINED THAT THE SHIPMENT IS IN COMPLIANCE WITH THE BELLMON AMENDMENT OR, ALTERNATIVELY, A STATEMENT THAT THE PRINCIPAL OFFICER IS UNABLE TO MAKE THAT DETERMINATION AND WHY. LANGUAGE CONFIRMING THAT THIS INFORMATION HAS BEEN PROVIDED IS REQUIRED BY THE DIRECTOR OF BHR/FFP IN EVERY TITLE II APPROVAL DOCUMENT.

4) GUIDANCE ON BELLMON AMENDMENT ISSUES AND ANALYSES CAN BE FOUND IN THE DRAFT MONETIZATION FIELD MANUAL WHICH HAS BEEN PUBLISHED IN THE FEDERAL REGISTER FOR FINAL COMMENT. IN PARTICULAR, APPENDICES A AND B CONTAIN SPECIFIC BELLMON AND MARKET ANALYSIS GUIDANCE THAT MAY PROVE USEFUL TO BOTH COOPERATING SPONSORS AND MISSION STAFF. IN ADDITION, THE QUOTE BACKROUND PAPER AND GUIDE TO ADDRESSING BELLMON AMENDMENT CONCERNS ON POTENTIAL FOOD AID DISINCENTIVES AND STORAGE UNQUOTE IS AN EXTREMELY USEFUL TOOL IN ANY TEAM'S REVIEW OF BELLMON ISSUES. BOTH DOCUMENTS CAN BE FOUND ON THE FOOD FOR PEACE HOMEPAGE (INTERNAL ADDRESS: [HTTP://WWW.USAID.GOV/BHR/FFP/BHRFFP.HTM](http://www.usaid.gov/bhr/ffp/bhrffp.htm) OR EXTERNAL ADDRESS: [HTTP://WWW.INFO.USAID.GOV/HUM_RESPONSE/FFP/FFP.HTM](http://www.info.usaid.gov/hum_response/ffp/ffp.htm)).

5) ACTION: USAID MISSION OR DIPLOMATIC POST, AS APPROPRIATE, IN COUNTRIES WITH TITLE II PVO OR EMERGENCY GOVERNMENT-TO-GOVERNMENT ACTIVITIES ARE REQUESTED TO MAKE THE BELLMON DETERMINATION AND PROVIDE THE INFORMATION REQUESTED IN PARAGRAPH 3 WITH EVERY CALL FORWARD APPROVAL SUBMITTED TO BHR/FFP. YY

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ADDITIONAL ADDRESSES:

CONAKRY
DHAKA
FREETOWN
KAMPALA
KHARTOUM
KIGALI
MAPUTO
LIMA
PORT AU PRINCE
BISSAU
MASERU
NOUAKCHOTT
BAMAKO
ISLAMABAD
NEW DELHI
GUATEMALA CITY
TEGUCIGALPA
MANAGU Y