

PIO Application Requirements for Restricted Commodities

BHA requires Agreement Officer (AO) approval of the following restricted commodities for Public International Organizations (PIOs). To the degree that information on restricted commodities is included in the application, BHA may incorporate the information into the award. The awardee will be required to seek technical and Agreement Officer Representative (AOR) approval during the award for any changes to the pre-approved restricted commodities (e.g., change in type or variety), even if there is no change to the award scope or the budget. If there are changes to the award scope or any new purchase of restricted commodities, including purchases by budget funds from other line items, it will require additional technical and AO approval.

- (1) Agricultural Commodities (Seeds/Seedlings or Livestock)
- (2) Pharmaceuticals (Human or Veterinary)
- (3) Pesticides and Pesticide-Containing Materials
- (4) Motor Vehicles
- (5) Used Equipment
- (6) Fertilizer

BHA will notify applicants and awardees if there are changes to any status of restricted commodities requirements.

Agricultural Commodities: BHA requires technical and AO approval for agricultural commodities, including seeds, seedlings, livestock, fertilizers, pesticides/pesticide-containing materials, and veterinary pharmaceuticals. Additionally, BHA ensures that best practices for sourcing and disseminating agricultural commodities are followed.*

Applicants must include standard language in their application affirming that all agricultural commodities to be procured under the award are in compliance with the laws of the government of the country in which they are procured and in which they are intended for use.

**Note: Agricultural commodities for food consumption in IDA-funded awards to PIOs are not considered restricted commodities.*

Seeds/Seedlings:

- For seeds or seedlings, applicants must ensure that the request includes an affirmation that they will provide seed quality assurances corresponding to the specific seed or seedlings which are procured and/or disseminated under a BHA award. PIOs will complete and submit a [Seed Quality Declaration of Quality](#) (SGDQ) for all seeds or seedlings to be provided under the award.
- BHA customarily requests quality assurance documentation prior to procurement; however for PIOs BHA is willing to receive documentation of quality assurances for review within 30 days of purchase.
- If an applicant cannot obtain a Seed Grower's Declaration of Quality, the awardee assumes responsibility for ensuring seed quality assurances are

undertaken post-award. The awardee must document the quality assurance practices that were followed, and must provide these quality assurances to BHA according to the award requirements so that BHA can make a good faith review of the quality assurances prior to distribution of the seeds. These quality assurance practices may include but are not limited to: testing for germination; moisture content; visual inspection for cracked or damaged seed; percentage weed seed; inspection for insect infestation and foreign matter; and declaration from a competent authority as to the genetic quality/appropriateness of the seed to be provided. Either the intent to purchase certified seed or a list of quality assurance practices must be explicitly detailed in a proposal submission.

- If a procurement includes seeds or other materials that are treated with pesticides, the applicant must follow USAID pesticide approval guidelines of restricted commodities as noted under the “Pesticides and Pesticide-Containing Materials” section below. The awardee must maintain documentation related to the procurement of agricultural commodities, including clear custodial links, per its internal policies and as required by the award. BHA may request copies of documents during the life of the award.

Livestock:

- When requesting financing for livestock, the applicant must affirm that it is requiring that: (1) the suppliers or agents providing the animals have provided, or will provide prior to purchase, at least one verifiable reference of supplying healthy and productive livestock; (2) the supplying farms or their agents have provided, or will provide prior to purchase, documentation that verifies parentage, health status, and compliance with required vaccination standards; (3) the applicant will not purchase livestock from areas within a country identified as having current outbreaks of World Organization for Animal Health (OIE) priority diseases (note: for livestock purchased from another country, the applicant must comply with procedures and regulations defined by the competent national animal health authority, usually the director of the Central Veterinary Office in the Ministry of Agriculture Livestock Development (or an equivalent office); and (4) imported animals must have permanent identification that cannot be altered between inspection at purchase and arrival in the importing country. If practicable, cattle must have freeze brands on the lower leg or hot brands, where necessary, supplemented with ear tags. Sheep and goats must have ear tattoos and/or tail web tattoos. The animal’s identification numbers must correspond to birth and vaccination records provided at the time of purchase. The Livestock Supplier Certification letter and its supporting documentation must be submitted to the AOR and approved by a BHA agricultural advisor prior to procurement.

Pharmaceuticals (Human or Veterinary):

- As USAID restricted commodities, pharmaceuticals have rigorous review and approval procedures to ensure safety, effectiveness, and quality of the products when used in BHA-funded programs. The review and approval by Pharmaceutical and Medical

Commodities (PMC) advisors (and agriculture advisors, when appropriate) must be done prior to the award being made and any changes must be approved by the Agreement Officer prior to any procurement.

- Pharmaceuticals purchased with BHA funds must be provided by approved vendors who adhere to internationally accepted standards. BHA has developed [Essential Medicines Lists \(EMLs\)](#) for both human and veterinary pharmaceuticals. Not all pharmaceuticals are allowable with USAID/BHA funding. The following are generally NOT funded by USAID/BHA: Antiretroviral medicines (ARVs) or rapid diagnostic tests (RDTs) for HIV/AIDS; Anti-tuberculosis medicines; and Family Planning commodities.
- BHA provides additional PMC guidance, and requires any proposed medical commodities to be submitted on developed [templates](#) on the PIO Resources page.

Pesticides and Pesticide-Containing Materials:

- USAID classifies pesticides and pesticide-containing materials, such as warehouse fumigants, pesticide-treated seeds, and Long-Lasting Insecticide-Treated Nets (LLINs), and others, as restricted commodities. Pesticides are permitted for procurement and/or use in humanitarian assistance settings by a PIO with BHA funding when the applicant is in compliance with USAID Pesticide Procedures per ADS 204 and [22 CFR 216.3\(b\)](#). Compliance with this requirement is to ensure either human or environmental toxicological hazards are minimized and the requesting country can regulate the pesticide. [Any proposed pesticides used must also be registered with the United States Environmental Protection Agency \(US EPA\)](#) as well as registered or approved by the target host country. Commercially available pesticides under label with an accompanying Safety Data Sheet are preferred when considering the appropriate chemical tool in an Integrated Pest Management program.
- To be in compliance with these Procedures, the BHA PIO applicant must both: 1) disclose the specific pesticide Active Ingredients (including concentration and formulation) to BHA, and 2) receive clearance from the BHA [Bureau Environmental Officer \(BEO\)](#) and agriculture technical advisor prior to AO approval. The applicant should coordinate with the AOR to obtain these approvals.
- BHA will lead in ensuring that the PIO is provided the cognizant USAID Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP). The PIO may reach out to the BHA BEO (bha.beo.support@usaid.gov) to assist in assessment of a proposed pesticide.
- USAID does not grant exemption for pesticides and pesticide containing materials. USAID does not invoke an Exception to Pesticide Procedures because USAID proactively plans to permit sufficient timing for the pesticide oversight to be conducted.
- PIO partners are encouraged to inform BHA cash recipients (beneficiaries) not to procure pesticides or pesticide-containing materials or services.

Motor Vehicles: Note that if Economic Support Funds under the American Rescue Plan Act (ARPA) are used to procure non-US manufactured vehicles (including leasing longer than 180 days/year), the applicant must provide the AOR an information copy of its documentation that procurement of non-US motor vehicles was justified under the circumstances.

Used Equipment:

- BHA does not usually finance the purchase of used equipment. BHA will only approve the purchase of used equipment if the applicant can assure that activity needs will be satisfied if: (1) the material purchased is used, rebuilt, or reconditioned; (2) economic considerations justify procurement of used, rebuilt, or reconditioned equipment; and (3) the price is reasonable. In addition, the applicant must arrange for inspection and appraisal of the equipment by an inspector approved by USAID with the understanding that this cost will be eligible for reimbursement only if BHA subsequently approves financing for the used equipment.
- Approval can be a time consuming process; therefore, applicants should discuss with BHA staff prior to proposing costs for used equipment for BHA funding.

Fertilizer:

- Any purchase of fertilizer, regardless of where the applicant procures it, requires BHA technical approval prior to procurement. Eligible fertilizers include the following: (1) mineral or chemical fertilizers containing one, two, or three of the following nutrients - Nitrogen, Phosphorus, or Potassium (except for Ammonium Nitrate and Calcium Ammonium Nitrate, which are only eligible with prior approval from USAID/REFS Chief Scientist); (2) mineral or chemical fertilizers containing two or more plant essential nutrients – including Nitrogen, Phosphorus, and Potassium, Calcium, Magnesium, Sulfur, and/or micronutrients; (3) Lime and other mineral or chemical fertilizers – Calcium, Magnesium, Sulfur, or micronutrients; (4) Animal or plant-based fertilizers or soil amendments with special requirements.
- When BHA funds an application that includes fertilizers, a special provision is included in the award authorizing local purchase, making the awardee responsible for compliance to the extent there are requirements for the desired type of fertilizer. For approval, the applicant must include: (1) type of fertilizer; (2) composition; (3) amount of fertilizer; (4) total cost per type (USD); (5) average price (USD/kg); (6) maximum amount in kilograms or liters per hectare; (7) maximum cost per beneficiary; (8) maximum number of hectares with fertilizer applied; and (9) average cost per beneficiary. BHA provides sample formats to help address all required conditions as demonstrated in this [document](#).
- For the purchase of animal- or plant-based fertilizer or soil amendments, the applicant must purchase it within 40 kilometers of its intended use location and ensure that a reasonable level of phytosanitary safety exists (e.g., following heat treatment to the minimum of 131° F (55° C) for a minimum of three days). If the fertilizer is intended for use more than 40 kilometers from the point of origin, additional approvals will be required. Please consult with BHA as early in the process as possible if the application will include these commodities.
- Additional approvals are required for fertilizer purchases in excess of \$1 million per fertilizer per fiscal year per [ADS 312.3.3.7](#). Accordingly, fertilizer requests in excess of this amount are strongly discouraged.

Use of Cash Transfers:

- The application must include a description of how the transfer value was calculated; the transfer value calculation should not include restricted commodities.
- The applicant is responsible for sensitizing beneficiaries regarding the intention of the cash transfer. The application must confirm that beneficiaries will be informed of the cash transfer's intended purpose (e.g., food, household items, etc.). If an award is made, it is at the applicant's discretion how to further explain restricted commodities to beneficiaries.
- The application should provide justification for differences in transfer amounts provided to different groups.