

APR 28 1987

**ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR ASIA
AND THE NEAR EAST**

FROM : ANE/PD, Peter Bloom
SUBJECT: Afghanistan PVO Co-Financing Project
(306-0201) - Authorization Amendment

Problem: To amend the Project Authorization to increase the life-of-project amount from \$15 million to \$35 million.

Background: This project was authorized March 18, 1986 at a \$15 million level over five years. At that time the overall Afghan annual program level was \$15 million, (compared to the current \$30 million) and it was necessary to accommodate budget levels of all the projects to this expected amount. A \$3 million annual level for PVO activities was considered appropriate under the circumstances, although it was understood that PVOs could absorb substantially greater amounts if additional funds became available.

Discussion: During the past year, O/AID/Rep has adjusted the annual funding level as PVO proposals have been received and as the absorptive capacity of the Alliance-based projects has developed. The amount obligated for PVOs under this project in FY 86 was \$5.8 million, and in addition \$4.2 million was granted to PVOs from Section 451 funds, so that total funds for PVOs that year was \$10 million. (Section 451 funds initiated AID's program for war affected Afghans before the AID Rep's office was established, and were administered from Washington.)

For FY 87, \$10.5 million is planned for PVOs, and there are proposals from eight current grantees for an additional \$15.8 million in activities. During the recent Action Plan review, we asked Larry Crandall to examine these proposals on their merits. Even the \$10.5 million level would take cumulative obligations beyond the current project authority of \$15 million, so an authorization amendment is required before all these grants can be made.

The Action Plan recommends an annual PVO level of \$8.5 million in FY 88 and 89. The reduced level compared to FY 87 is due to the need for additional funds in the four Alliance-centered projects, and on the assumption that some PVO activities can be

taken over by the alliance projects by that time. If the overall budget increases for the program, or the Alliance-centered projects proceed more slowly than originally expected, the amount allocated to PVOs could be increased. At this time, based on expected program levels, the AID Rep is recommending that the project authorization amount be increased to \$35 million.

Recommendation: That, by signing the attached authorization amendment, you approve an increase in the life-of-project amount to \$35 million.

Attachments:

1. Project Authorization Amendment
2. Original Project Authorization

Approve: James H. Norris
Disapprove: _____
Date: 4/28/87

Clearances:

ANE/DP:BSidman BS
ANE/PD/SA:TTiff (draft)
ANE/SA:JMalick (draft)
ANE/GC:LVolk (draft)
State/NEA/PAB:DMillikan (draft)
DAA/ANE:JNorris JN

cc: AAA/PPC/PB, R. Hechtman
M/FM/PAFD, E. Owens
USAID/Islamabad

ANE/PD/SA: ^{PSM}PSMatheson:4/9/87:4/22/87:1784n

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

ASSISTANT
ADMINISTRATOR

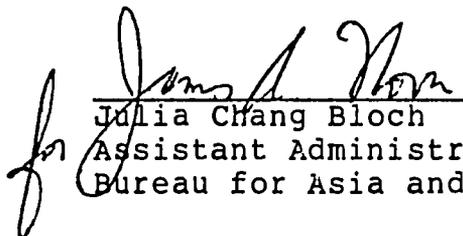
PROJECT AUTHORIZATION AMENDMENT

Name of Country/Entity: Afghanistan Name of Project: PVO Co-Financing Project
Number of Project: 306-0201

1. Pursuant to Section 904 of the International Security and Development Assistance Act of 1985, and the provisions of the Foreign Assistance Act of 1961, as amended, the Private Voluntary Agency Co-financing Project for Afghanistan was authorized on March 18, 1986. That authorization is hereby amended as follows:

a. Increase the life-of-project funding amount from a total of \$15 million to a new total of \$35 million.

2. The authorization cited above remains in force except as hereby amended.



Julia Chang Bloch
Assistant Administrator
Bureau for Asia and Near East

4/28/87

Date

Activity Authorization

Name of Activity: PVO Co-Financing

Number of Activity: (306-0201)

Pursuant to Section 904 of the International Security and Development Assistance Act of 1985, and the provisions of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Private Voluntary Agency Co-financing Activity for humanitarian assistance to the free Afghan people. This Activity involves planned obligations of not to exceed \$15,000,000 in grant funds over a five-year period from the date of this authorization, subject to the availability of funds in accordance with the A.I.D./OYB allotment process to help in financing certain foreign exchange and local currency costs.

This Activity will assist indigenous, other national, international and American private voluntary agencies in undertaking beneficial activities to war-affected free Afghans in Afghanistan. Support will be provided for activities in such priority areas as health, education, food and agricultural production.

The Agreement(s) obligating funds for this Activity, which may be negotiated and executed by the official(s) to whom such authority is delegated, shall be subject to the following terms and conditions, together with such other terms and conditions as may be deemed appropriate:

Authorized source/origin for goods and services, including vehicles, pharmaceuticals, and air travel by European personnel, shall be Pakistan and the U.S., and, upon appropriate determination by the A.I.D. Representative of the necessity therefor, shall also

4.

include countries in A.I.D. codes 941 and 935. An appropriate clause shall be included in the grant agreements indicating PVO responsibility for safety and appropriateness of pharmaceuticals supplied under the grant.

Charles W. Greenleaf
Assistant Administrator
Bureau for Asia and Near East

Date

Clearances: ANE/PD:PBloom TT
ANE/PD/SA:TTiff TT

GC/ANE:HM ^{XX}ffls:paj:1/21/86:1037A

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