



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

- PD-ABG-844 -  
84423

SEP 14 1992

**ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA**

**FROM:** ASIA/DR, Phyllis Forbes *Phyllis Forbes*

**SUBJECT:** Regional Rehabilitation and Prosthetics Project (410-0002) (formerly 499-0014)

**Action:** You are requested to amend the Asia Regional Rehabilitation and Prosthetics Project, 410-0001, by signing the Second Amendment to the Project Authorization to increase the authorized life-of-project (LOP) funding by \$2.355 million to a total of \$4.655 million. Funding will be used to provide prosthetics, surgery and medical care, and physical and vocational rehabilitation to civilian victims of civil strife in Laos, Viet Nam and Cambodia.

**Background:** In 1989, Congress earmarked funds in the foreign assistance appropriations legislation for FY 90 (Public Law 101-513) for a "War Victims Fund" to provide prosthetic devices and rehabilitation assistance to individuals and families who had been injured through civil strife and warfare. Assistance included the provision of artificial limbs, rehabilitation training for medical workers and vocational training for victims of war. Congress earmarked "not less than \$5,000,000" for this purpose (see appropriations language attached), of which the ANE Bureau chose to use \$850,000 for a three year project in Laos. The original ANE authorization was called the Laos Prosthetics Project, 398-0370.

In August 1991, you signed the first amendment to the project authorization, which authorized (1) the transformation of this project from a single country (Laos) to an Asia regional activity, including a new project name and number, and (2) and an increase in the authorized life-of-project funding from \$850,000 to \$2.3 million. The \$1.45 million in additional funds allowed us to provide grants to World Vision Relief and Development, Inc. (WVRD) and Prosthetics Research Foundation for rehabilitation and prosthetics activities in Vietnam. The project name and number changed from the Laos Prosthetics Project to the Asia Regional Rehabilitation and Prosthetics Project, 499-0014 (see Amendment No. 1 attached). Now, the project number is being changed from 499-0014 to 410-0002, indicating designation as an East Asia Regional Project.

Note that every time Congress has earmarked funds for the War

Victims Fund they have also included a "notwithstanding any other provision of law" clause for the earmark. The notwithstanding clause has had to be interpreted for each country situation encountered. But, in general, it means that A.I.D. is to proceed quickly with support to the disabled, to work in countries where A.I.D. often does not work if that is where these disabled people are found, to work with organizations with which the Agency usually does not work with if they can do the best work, and in general, to get this assistance moving as quickly as possible. In operational terms this has resulted in selection of a target country, followed by a country needs assessment and development of grant documents -- the process used in Laos. The grant in Laos is with the NGO that was identified during the assessment as having the best capacity to meet the objectives of the War Victims Fund. The only instance where a competition was held was for Vietnam in FY 1991. We did this because we were not able to field an assessment team and thus could not independently verify the needs of the country nor identify the best NGOs with which to work.

In the first year of this program assistance was targeted at provision of artificial limbs to civilian victims of civil strife. In subsequent years, A.I.D. expanded use of the Fund to include medical, physical and vocational rehabilitation, but continued to emphasize prosthetics aid since amputations are one of the most common disabling injuries resulting from civil strife.

**Discussion:** On-the-ground assessments were conducted in the three Indochinese countries of Vietnam, Laos and Cambodia to determine the need for additional assistance under this regional program in Fiscal 1992. Specifically,

- An AID team evaluated progress in Laos under the grant made to World Vision in FY 1990. The team felt the project was progressing well and recommended additional assistance to help victims of civil strife become economically self-sufficient.
- In the spring of 1992, a USAID team visited Vietnam to evaluate progress of the two grants made in FY 1991. The team reported considerable progress on both grants. They recommended that additional assistance be provided to improve the quality of medical care available to victims of civil strife as well as support for the victims in Southern Vietnam. They further recommended that NAY 1992 assistance focus on the medical/surgical aspects of rehabilitation.
- Also in the spring of 1992 an AID team visited Cambodia to review whether there were unmet needs of victims of civil strife. The team recommended assistance to the Vietnam Veterans Foundation program in Kien Khleang.

**Proposed Course of Action:** We propose that up to \$2.355 million in FY 1992 DA funds be provided for the Regional Rehabilitation and Prosthetics Project, the total of which will be obligated this fiscal year. PVOs plan to match all A.I.D. grants with a private contribution of 25 percent of total project costs, either cash, in-kind, or a combination.

A.I.D. grant funds will be provided to the following private and voluntary organizations (PVOs) which submitted unsolicited proposals: Health Volunteers Overseas and World Rehabilitation Fund in Vietnam, Vietnam Veterans of America Foundation in Cambodia, and World Vision Relief and Development, Inc. (WVRD) in Laos, to be divided as follows:

<b>Vietnam</b>		
Health Volunteers Overseas		\$750,000
World Rehabilitation Fund		275,000
<b>Cambodia</b>		
Vietnam Veterans of America Found.		830,000
<b>Laos</b>		
World Vision		<u>500,000</u>
	<b>TOTAL</b>	<b>\$2,355,000</b>

**Health Volunteers Overseas** - This new twenty-month grant will focus on improving the medical and surgical aspects of rehabilitation as recommended by the assessment team. Health Volunteers Overseas will focus on improving the quality of rehabilitation services and care delivered at the provincial level; to strengthen the knowledge and skills of faculty members at medical, nursing, and physical therapy schools around the country; and to encourage the development of an institutional relationship between a U.S. medical and nursing school and a Vietnamese counterpart.

**World Rehabilitation Fund** - This new twelve-month grant will focus on providing prosthetic services in the southern provinces of Vietnam, since previous A.I.D. assistance focused on the Northern and Central regions of the country. The purpose of the project is to enhance the provision and increase the service capacity of rehabilitation services of the Can Tho Orthopedic Center to help it better meet the needs of disabled persons living in the six-province catchment area. Activities will include: providing equipment and supplies; upgrading skills of current technicians; and improving other rehabilitation services such as bracing, physical therapy, vocational training, outreach and community-based rehabilitation services.

**Vietnam Veterans of America Foundation** - This new eighteen-month grant will focus on developing a prosthesis clinic, conducting training in prosthetic technology, developing wheelchair workshops, training/employing Cambodians in the manufacturing of

wheelchairs, and conducting therapeutic training in fish farming for the disabled. Outputs will include: the production and fitting of approximately 810 legs and 36 arms, nine Cambodians trained as prosthetic technicians, ten Cambodians trained in wheelchair manufacturing, and continued operation and expansion of vocational training at fish farms.

**World Vision Relief and Development, Inc. (WVRD) - Funding will be provided to allow WVRD to both continue for two years and expand the focus of the grant that began with \$850,000 of assistance in FY 90, which has been a sustainable and carefully focussed program for the prevention of handicapping injuries. WVRD plans to provide assistance to villages of amputees and their families to both enhance their quality of life, and enable them to lead economically productive lives; and train Lao rehabilitation personnel to provide improved quality of care and more durable assistance devices. A.I.D.'s decision to provide expansion funding was based upon a positive evaluation of the project carried out in April of 1992.**

It should be noted that the Action Memorandum signed on May 4, 1990 by the Assistant Administrator for ANE authorizing the Laos Prosthetics Project stated that A.I.D. would provide \$850,000 to World Concern for this project. Shortly after the authorization was signed, World Concern informed A.I.D. that they would not be able to carry out the activity and suggested WVRD assume responsibility. Following an assessment of WVRD's capacity to implement the project, they were awarded the \$850,000 grant.

**Project Implementation: We propose that this project be implemented by the regional staff in USAID/Thailand and that you delegate implementation authority to the Mission Director, including the use of the "notwithstanding any provision of law" authority; management of final negotiation with grantees and execution of grants/cooperative agreements; and approval of necessary waivers normally redelegated to mission directors.**

It is important to note, however, that though the "notwithstanding clause" covers this entire project, in the past the Bureau has chosen to use this clause sparingly and only when neither standard procedures nor other waiver authority would accomplish the intended results.

**Congressional Notification: No formal Congressional Notification is required because this activity is undertaken pursuant to the War Victims earmark contained in the FY 91 Foreign Operations, Export Financing and Related Agencies Appropriations Act and carried over in the final FY92 Continuing Resolution (CR). Additionally, the activity is undertaken pursuant to the "notwithstanding any provision of law" language, under which no Congressional notification is required. This language permits**

U.S. assistance to Vietnam and Cambodia despite provisions of the Foreign Assistance Act of 1961 as amended that would normally bar U.S. assistance in these countries. Additionally, there is a clear sense of Congress in support of this project expressed in the attached Appropriations language from 1990 through 1992, which cites Vietnam, Cambodia and Laos as countries which should receive prosthetics support.

**Recommendation:** That you authorize (1) an increase in the life of project funding by \$2.355 million to help meet the needs of civilian victims of civil strife in Vietnam, Cambodia, and Laos; (2) permit me to instruct the Regional Contracting Officer in Bangkok to negotiate grants with the four organizations identified, and; (3) redelegate implementation authority for this project to the Director, USAID/Thailand, including authority to use the "notwithstanding any provision of law" language in NAY 1992 legislation.

Approved Paul Lantieri

Disapproved \_\_\_\_\_

Date 9-14-92

**Attachments:**

- Amendment No. 1, Asia Regional Rehabilitation and Prosthetics Project (499-0014)
- Authorization Document, Laos Prosthetics Project (398-0370)
- Appropriations Legislation - FY90 - NAY 92

**Clearances:**

ASIA/EA:MFeldstein (draft) Date 9/9/92  
 ASIA/EA:LMorse (draft) Date 9/9/92  
 ASIA/DR/PD:FMiller (draft) Date 9/10/92  
 ASIA/DR/PD:JNussbaum (draft) Date 9/9/92  
 ASIA/FPM:PDavis (draft) Date 9/11/92  
 GC/ASIA:GBisson (draft) Date 9/9/92  
 GC/LEG:EHonnold (draft) Date 9/11/92  
 R&D/H:ARandlov (draft) Date 9/9/92

ASIA/DR/PD:TMarr:SMorawetz: 11 Sep 92:x75807  
 u:\pdpub\docs\vnrrp.sm

Second Amendment to the Project Authorization

Name of Country: Regional  
Name of Project: Asia Regional Rehabilitation and Prosthetics Project  
Number of Project: 410-0002  
Name of Grantee(s): Various

1. Change paragraph 1 to read:

...I hereby authorize the Asia Regional Rehabilitation and Prosthetics Project ("Project") involving planned obligations of not to exceed four million, six hundred and fifty-five thousand U.S. Dollars (\$4,655,000) over the period from May 4, 1990 to September 30, 1994, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process.

All other terms and conditions of this project remain the same.

Henrietta Holsman Fore  
Henrietta Holsman Fore  
Assistant Administrator  
Bureau for Asia

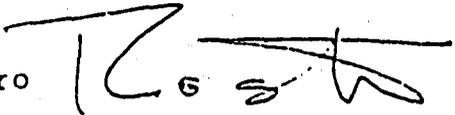
9-14-92  
Date

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Agency for International Development  
Washington, D.C. 20523

AUG 21 1991

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, BUREAU FOR  
ASIA AND PRIVATE ENTERPRISE

FROM: A-APRE/DR, Thomas Nicastro 

SUBJECT: Asia Regional Rehabilitation and Prosthetics  
Project, 499-0014

**Action:** You are requested to amend the Laos Prosthetics Project, 398-0370, by signing the First Amendment to the Project Authorization which (1) assigns an APRE Bureau project name and number to this former ANE Bureau activity, (2) permits rehabilitation and prosthetics support to be provided in Asia, thus transforming the project from a single country (Laos) to an Asia regional activity, and (3) increases the authorized life of project funding by \$1.45 million to a total of \$2.3 million. The planned FY 1991 obligation is \$1.35 million, all of which will be used for assistance in Vietnam.

**Background:** On May 4, 1990, the AA/ANE authorized the Laos Prosthetics Project which seeks to aid those individuals and families who have been injured through civil strife and warfare and require prosthetic devices and rehabilitation assistance. The authorization (attached, Tab A) was for a three-year grant of up to \$850,000. The grant was awarded to World Vision International (WVI), a U.S. Non-Governmental Organization (NGO) operating in Laos. The project is providing assistance through rehabilitation centers in Vientiane and in several rural areas in which there are high concentrations of disabled persons. WVI provides training, technical assistance, equipment and raw materials for surgical units, prosthetics workshops, and the rehabilitation facilities.

In June 1991, an assessment team visited Vientiane and reported that good progress has been made under this program, including the construction, rehabilitation and opening of surgical units, the initiation of long-term training in Thailand for fourteen technicians and the ordering of equipment and materials. The team has recommended that a mid-term evaluation be conducted to thoroughly assess progress and to determine the advisability of expanding the scope and scale of assistance.

**Discussion:** On April 26, 1991 Undersecretary of State for East Asia and Pacific Affairs Richard Solomon announced that approximately \$1.0 million of U.S. Government assistance would be made available for rehabilitation and prosthetics support in Vietnam. Since 1987 the State Department has encouraged NGO prosthetics activities, although no U.S. Government funds have been directly used. The Undersecretary's statement, therefore, signals a change in U.S. policy.

In response to Undersecretary Solomon's statement, the APRE Bureau has worked with S&T/Health to determine which NGO activities promise immediate and sustained services to beneficiaries. Working through the NGO Forum, a voluntary grouping of all U.S. NGOs providing assistance in Vietnam, a listing of all NGOs known to be providing prosthetics assistance was developed. The NGOs were asked (letter attached, Tab B) to submit proposals which could be evaluated against specific criteria, including non-discrimination in the provision of beneficiary services.

Review of 10 proposals received by a joint APRE/S&T panel from NGOs working in Vietnam determined that World Vision International (WVI), the Prosthetics Research Foundation (PRF), Vets With A Mission, and the International Childrens Fund offered the most promise and were shortlisted. Unsolicited proposals received were not considered if they did not represent an expansion of current prosthetics and rehabilitation activities in Vietnam, a primary selection criterion. The selection process followed conforms to the procedures stated in Handbook 13, Chapter 2, Section 2C.

In June 1991, an assessment team, consisting of an S&T/Health officer and a Veterans Administration prosthetics expert (consultant to the Vessey MIA/POW investigatory team), were sent to Vietnam to assess the sustainability and requirements of programs supported by the four shortlisted NGOs. The team recommended funding two of the four NGOs: WVI and PRF. A.I.D. assistance will expand their ongoing activities in five areas covering northern, central and southern portions of Vietnam. Funding will be provided for training, technical assistance, equipment and raw materials for indigenous groups (supported by WVI and PRF) to double the number of devices they manufacture and provide to amputees, and increase the accessibility to services for those living in remote areas.

Given the needs for assistance in Southeast Asia (e.g., Laos and Vietnam now; possibly Cambodia in the near-term), providing rehabilitation and prosthetics assistance under a single Asia regional project would appear to offer more staff and management efficiency than the creation of new projects as each case arises.

**Congressional Notification:** No formal Congressional Notification is required because medical and related assistance, including prostheses and vocational rehabilitation and training, for civilian victims of war is earmarked in the Appropriations Act (Assistance to Victims of War). In addition, this legislation includes "notwithstanding any provision of law" language which permits U.S. assistance to Vietnam despite provisions of the Foreign Assistance Act of 1961 as amended that would normally bar U.S. assistance. The sense of Congress is expressed in the 1991 Senate Appropriations Committee Report (attached, Tab C) which cites

Vietnam as one of the countries which should receive prosthetics support.

Implementation: Based on the attached project authorization amendment, the USAID/Thailand Regional Contracting Officer (RCO) will be requested to negotiate and sign grants with (a) World Vision International for \$1,075,000 and (b) the Prosthetics Rehabilitation Foundation for \$275,000. To the extent that there are any restrictions on procurement relating to or in Vietnam and such procurement may be made under this project, the RCO will rely on the "notwithstanding" language as set forth in the legislation. Relying on the "notwithstanding" language, the RCO also may sign a grant with PRF even though it is not registered with A.I.D. Project oversight and monitoring will be provided by USAID/Thailand with support from APRE/W and S&T. An evaluation of these activities will be performed after the first year of operation.

Recommendation: That you sign below and the First Amendment to the Laos Prosthetics Project Authorization, thereby, (1) assigning an APRE Bureau project name and number to this activity, (2) permitting rehabilitation and prosthetics assistance in Asia, and (3) increasing the authorized life of project funding by \$1.45 million to a total of \$2.3 million.

Approved: Paul Laudato

Disapproved: \_\_\_\_\_

Date: 8-21-91

**Attachments**

1. First Amendment to the Project Authorization for the Laos Prosthetics Project
2. Laos Prosthetics Project Action Memorandum and Authorization
3. Solicitation of Proposals Letter
4. Citation from the 1991 Senate Appropriations Committee Report

**Clearances:**

APRE/DR/PD:GMorris (Draft)	Date: 8/13/91
APRE/A:LMorse (Draft)	Date: 8/14/91
APRE/FPM:PDavis (Draft)	Date: 8/15/91
APRE/GC:JPower (Draft)	Date: 8/20/91
ST/H:ARandlov (Draft)	Date: 8/19/91
PPC/PB:PDelBosque (Draft)	Date: 8/13/91
GC/LP:EHonold (Draft)	Date: 8/12/91
DAA/APRE:GLaudato	Date: _____

WE  
APRE/DR/PD:WELLIOTT, 8/8/91, 663-2374, 0055A

First Amendment to the Project Authorization

Name of Country: Laos

Name of Project: Laos Prosthetics  
Project  
Number of Project: 398-0370

The Project Authorization for the Laos Prosthetics Project was signed on May 4, 1990 for planned obligations not exceeding eight hundred fifty thousand U.S. Dollars (\$850,000). The Project Authorization is hereby amended and restated in its entirety as follows:

Project Authorization

Name of Country: Regional

Name of Project: Asia Regional Rehabilitation and Prosthetics  
Project

Number of Project: 499-0014

Name of Grantee(s): Various

1. Pursuant to Chapter 4, Part II (Economic Support Funds) and Section 104 (Population and Health) of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Asia Regional Rehabilitation and Prosthetics Project ("Project") involving planned obligations of not to exceed two million three hundred thousand U.S. Dollars (\$2,300,000) over the period from May 4, 1990 to September 30, 1993, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process.

2. The Project will consist of grants to U.S. Non-Governmental Organizations (NGOs) which will provide medical and related assistance, including prostheses and vocational rehabilitation and training, for civilian victims of war. The grantees will work through and provide technical assistance, training, equipment, and raw materials to indigenous groups in APRE Bureau Asia countries (or activities therein) which are eligible for assistance.

3. The agreements and contracts necessary to implement the Project may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, together with other terms and conditions as A.I.D. may deem appropriate.

  
Henrietta Holzman Fore  
Assistant Administrator  
Bureau for Asia and Private  
Enterprise

8-21-91  
Date

Agency for International Development  
Washington, D.C. 20523

h b l no 1

May 4, 1990

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA, NEAR EAST AND EUROPE

FROM: ANE/PD, Bruce Odell   
SUBJECT: Laos Prosthetics Project

**Action:** Your authorization of a grant of up to \$850,000 for a three-year grant to World Concern for a Prosthetics project in Laos. Based on that authorization and your redelegation of authority, (a) U.S. Embassy Vientiane intends to sign a Memorandum of Understanding with the Government of Laos on this assistance and (b) USAID/Bangkok will negotiate a grant with World Concern to implement the assistance.

**Discussion:** Based on the September 1989 survey team report on the prosthetics situation in Laos, and Undersecretary Kimmitt's concurrence with the concept of USG support for prosthetics rehabilitation in Laos, a proposal is being finalized by World Concern (an American PVO registered with A.I.D.) for a prosthetics project in Laos. ANE/TR and USAID/Bangkok have reviewed the substance of that proposal and find it fully satisfactory.

The survey team concluded that a prosthetics project in Laos is warranted, feasible and politically welcome. The principal issue raised was the management of project components in the absence of an A.I.D. Mission. To address this issue under the proposed project, World Concern will be responsible for program management, subgrants and project reporting. World Concern, which specializes in emergency relief and rehabilitation, has an ongoing primary health care program in Laos with a resident U.S. director. World Concern has supported The National Rehabilitation Center in Laos, and is familiar with the problems of amputees and other victims of the ordnance that saturates parts of the country. World Concern is the only U.S. PVO with the requisite experience in Laos, and accordingly may be selected for a non-competitive grant under the provisions of Handbook 13, Chapter 2, Section 2,B,3,b.

Based on the survey team recommendations, the findings of World Concern and the AID/W Project Committee, the objective of this grant will be to aid those individuals and families who have been injured and maimed and require prosthetics devices and rehabilitation assistance. Through World Concern, a variety of activities will be implemented to assist the population in Laos with injuries resulting from civil strife and warfare. Activities to assist this population include: (a) gaining an accurate and clear picture of the numbers, locations and types of

handicapped/disabilities within Laos with injury resulting from civil strife and warfare and provide a priority plan of action to meet these needs; (b) meeting the immediate problems of treating and fitting those needing care with prostheses, using appropriate materials; (c) building medical prosthesis and orthopedic capacity by training local medical personnel in basic skills of orthopedics and physical rehabilitation as well as providing equipment and supplies necessary to teach and perform prosthetic and orthopedic services; (d) improving Lao capability in orthopedic and physical rehabilitation by improving the training and treatment provided at the Center; and (e) skills training for those rehabilitated handicapped persons so that they can be supporting members of their families and communities. The project will begin with a detailed needs assessment survey and a nationwide plan of action for rehabilitation service. Based on this survey and follow-on plan, a detailed implementation plan will further define the highest priority activities to be executed by World Concern.

The survey team recommended approximately \$1.1 million for a three year prosthetics assistance program in Laos. That figure is modest compared to the apparent need, but we have scaled the proposed level of A.I.D. assistance back to \$850,000 because of inherent uncertainties related to the first A.I.D. activity in Laos in 15 years. We will consider further funding needs and possibilities in a year depending on project success.

Recent improvements in U.S.-Laos relations have included agreement on a narcotics memorandum of understanding, a narcotics crop substitution project, interest by GOL in attracting Western business investment, specific requests for direct USG humanitarian assistance, and a general desire for a return to more normal relations with the United States.

Prosthetics assistance is earmarked in Title II of the FY 1991 Appropriations Act (P.L. 101-167), Assistance to Victims of War. The legislation includes "notwithstanding any provisions of law" language which permits U.S. assistance to Laos despite violations of the Foreign Assistance Act of 1961 as amended that would normally bar U.S. assistance. Laos presently is in violation of certain statutory provisions although it is now certified eligible for assistance under the narcotics control provisions. This situation was noted in the recommendation to Undersecretary Kimmitt and he agreed that since the existence of the "notwithstanding" clause made the statutory violations a matter of policy, we should proceed with the project. Your authorization will constitute your concurrence with that view.

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Senator Leahy's staff (the authors of the prosthetics earmark) have been briefed by the survey team and strongly support the program outlined above. USAID/Bangkok has agreed to negotiate a grant with World Concern and manage the project.

Recommendation: (a) That by approving below you authorize this project on the terms and conditions stated above.

Approved: Caul Adelman

Disapproved: \_\_\_\_\_

Date: 5/4/90

(b) That by approving below you concur with U.S. Embassy Vientiane's intention to execute a Memorandum of Understanding with the Government of Laos on this project.

Approved: Caul Adelman

Disapproved: \_\_\_\_\_

Date: 5/4/90

(c) That by signing below you delegate to the USAID/Bangkok Director the authority to execute and implement a grant agreement with World Concern for up to \$850,000 for a prosthetics project in Laos.

Approved: Caul Adelman

Disapproved: \_\_\_\_\_

Date: 5/4/90

Drafter: ANE/EA, M Feldstein:sc:04/27/90:X79136:85690:Rev 5/3/90

ZAIRE

None of the funds appropriated by this Act to carry out chapters 1 and 10 of part I of the Foreign Assistance Act of 1961 shall be transferred to the Government of Zaire: *Provided*, That this provision shall not be construed to prohibit nongovernmental organizations from working with appropriate ministries or departments of the Government of Zaire.

ASSISTANCE FOR DISPLACED CHILDREN

Of the aggregate of the funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, not less than \$5,000,000 shall be made available for programs and activities for children who have become orphans as a result of the effects of drought, civil strife, and other natural and man-made disasters: *Provided*, That assistance under this heading shall be made available in accordance with the policies and general authorities contained in section 491 of the Foreign Assistance Act of 1961.

HUMANITARIAN ASSISTANCE FOR CAMBODIAN CHILDREN

Of the aggregate of the funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, not less than \$5,000,000 shall be made available, notwithstanding any other provision of law, to provide humanitarian assistance through international relief agencies and United States private and voluntary organizations to children within Cambodia: *Provided*, That none of the funds made available under this heading may be made available, directly or indirectly, for the Khmer Rouge.

ASSISTANCE FOR VICTIMS OF WAR

Of the aggregate of the funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, not less than \$5,000,000 shall be made available, notwithstanding any other provision of law, for medical and related assistance, including the provision of prostheses and vocational rehabilitation and training, for civilians who have been injured as a result of civil strife and warfare.

WOMEN IN DEVELOPMENT

In recognition that the full participation of women in, and the full contribution of women to, the development process are essential to achieving economic growth, a higher quality of life, and sustainable development in developing countries, not less than \$5,000,000 of the funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, in addition to funds otherwise available for such purposes, shall be used to encourage and promote the participation and integration of women as equal partners in the development process in developing countries, of which not less than \$3,000,000 shall be made available as matching funds to support the activities of the Agency for International Development's field missions to integrate women into their programs: *Provided*, That the Agency for International Development shall seek to ensure that country strategies, projects, and programs are designed so that the percentage of women participants will be demonstrably increased.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 per centum of its total annual funding for international activities from sources other than the United States Government: *Provided*, That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the "Foreign Assistance and Related Programs Appropriations Act, 1985" (as enacted in Public Law 98-473) shall be superseded by the provisions of this section.

22 USC :  
note.

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APPROPRIATE TECHNOLOGY

Of the aggregate of the funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, not less than \$1,000,000 shall be available for Appropriate Technology International: *Provided*, That these funds shall be in addition to \$3,000,000 in funds available to Appropriate Technology International under its existing cooperative agreement with the Agency for International Development: *Provided further*, That Appropriate Technology International shall qualify, along with any cooperative development organization, for development assistance funds appropriated or otherwise made available by this Act for United States private and voluntary organizations.

HUMANITARIAN ASSISTANCE FOR ROMANIA

Of the aggregate of the funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (other than funds under the heading "Sub-Saharan Africa, Development Assistance"), not less than \$3,000,000 shall be made available, notwithstanding any provision of law which restricts assistance to foreign countries, for humanitarian assistance for Romania. Of this amount—

(1) \$1,500,000 shall be made available for activities related to—

(A) acquired immune deficiency syndrome (AIDS), and other health and child survival activities particularly for the care and treatment of abandoned children, including the provision of food, medicine, and training of personnel;

(B) improving the facilities available for the care of abandoned children; and

(C) facilitating family reunification or adoption of abandoned children, including training of professional adoption specialists; and

(2) \$1,500,000 shall be made available for family planning assistance, subject to the following:

(A) The prohibitions contained in section 104(f) of the Foreign Assistance Act of 1961 and section 535 of this Act (relating to prohibitions on funding for abortion as a method of family planning, coercive abortion, and involuntary sterilization) shall be applicable to funds made available under this paragraph.

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Calendar No. 957

101st CONGRESS  
2d Session

SENATE

REPORT  
101-519

FOREIGN OPERATIONS, EXPORT FINANCING, AND  
RELATED PROGRAMS APPROPRIATION BILL, 1991

OCTOBER 10 (legislative day, OCTOBER 2), 1990.—Ordered to be printed

Mr. LEAHY, from the Committee on Appropriations,  
submitted the following

REPORT

[To accompany H.R. 5114]

The Committee on Appropriations to which was referred the bill (H.R. 5114), making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1991, and for other purposes, reports the same to the Senate with various amendments and presents herewith an explanation of the contents of the bill.

*Amounts in new budget authority*

Fiscal year 1990 appropriations.....	\$15,523,490,180
Fiscal year 1991 budget estimate .....	15,518,826,537
Amount of bill as passed by House.....	15,637,093,273
Amount of bill as reported to Senate .....	15,533,040,543
Bill as recommended to Senate compared to:	
1990 appropriations .....	-3,327,637
Budget estimate .....	+14,214,006
House reported bill.....	-104,052,730

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family. The committee recognizes that some recipients of microenterprise loans will graduate from microenterprises to small businesses while other participants will maintain themselves at stabilized, subsistence levels.

The Administrator of AID is to target this program to the poorest one-half of the population of the poorest AID-assisted developing countries. AID is also to target a majority of these funds to support microenterprise activities managed by women. To best achieve the goals of the program, AID should channel credit and other forms of assistance through private, nonprofit, community-based agencies that have established links to the very poorest people in urban and rural areas of developing countries.

The Committee is aware of the difficulties AID has experienced in initiating the microenterprise program. There have been various definitions of what constitutes a microenterprise and there have been many voices calling for the program to focus on specific groups. The AID Microenterprise Development Program report to Congress reveals that only one-sixth of the funds used for direct credit in 1989 went toward loans of less than \$300. This is far below the expectations of the Committee and must be greatly improved to avoid future earmarking. The Committee is concerned that too few of the microenterprise resources are going to the poorest entrepreneurs in the form of small loans, but notes that in 1989 the average loan size was \$387. This is a sign that AID is beginning to move in the right direction.

To assist AID in meeting the goals enumerated above, the Committee recommends that AID use \$20,000,000 of the microenterprise funds for loans of less than \$300. The Committee is aware of the debate within the PVO community over the wisdom of setting loan limits on a portion of the program in order to meet the goal of targeting small loans to the poorest people.

The Committee reiterates its intent that the microenterprise program benefit the poorest of the poor. To avoid loan size limits in future bills, the Committee suggests that AID, in coordination with its Microenterprise Advisory Committee, provide the Committee with specific actions AID will take to ensure that the Congress' goals in establishing the microenterprise program will be met.

#### WAR VICTIMS FUND

The Committee has earmarked \$5,000,000 for the war victims fund to be derived from the "Development assistance" account.

This fund was established in 1989 to provide prostheses and related assistance to civilian victims of civil strife and warfare. It has been used to support prosthetics workshops and train local orthopaedic surgeons and technicians in Mozambique and Uganda, and a third program is underway in Laos. The Committee commends the efforts of Health Volunteers Overseas, a United States private voluntary organization that is locating surplus medical supplies and recruiting American doctors and physical therapists to carry out this training in very difficult conditions.

The Committee believes that because of the huge numbers of injured civilians who are in need of emergency medical care in countries whose health care systems have been decimated by war, the

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mandate of the war victims fund should be expanded. Accordingly, the Committee has included bill language extending the fund to cover medical and related assistance, including prostheses and vocational rehabilitation and training, for civilian victims of war. It is the Committee's intent that these funds will benefit those individuals who have suffered disabling injuries and who, with this assistance, can become productive members of society. The Committee also intends that war victims projects currently funded with prior year funds may be modified consistent with this expansion of the war victims fund mandate.

In prior reports, the Committee encouraged the administration to investigate the feasibility of using the war victims fund in Angola and Vietnam, which together are estimated to have 80,000 to 100,000 amputees. Cambodia is another country where there are tens of thousands of civilians suffering from disabling injuries caused by war. The Committee is aware that although the United States does not have AID missions in these countries, there are international and private voluntary organizations conducting humanitarian activities in them. The war victims fund was established to alleviate the suffering of civilian victims of war regardless of the political ideology of their government. Thus, the Committee believes that every effort should be made to target a portion of these funds in these countries containing such a large number of civilian war victims. The Committee requests AID to investigate the feasibility of channeling war victims fund assistance through such organizations to civilian victims of war in Angola, Vietnam, and Cambodia with appropriate recognition to the United States for this assistance, and to report its findings to the Committee.

The Committee further requests AID to determine the feasibility of making such assistance available to civilian victims of war in Lebanon, where civil strife has caused thousands of disabling injuries.

#### WOMEN IN DEVELOPMENT

The Committee has earmarked not less than \$5,000,000 in development assistance funds to be used to encourage and promote the participation and integration of women in the development process in developing countries. The Committee also specifies that of this amount, not less than \$3,000,000 is to be used as matching funds to support the activities of AID field missions to integrate women into their programs. The Committee is encouraged by the response of field missions in this regard during the past year.

The Committee is convinced that a high level of participation by women is necessary for the success of development programs. Women in these countries produce and market most of the food and operate many small businesses and increasing amounts of U.S. assistance should be directed to these women who are often the backbone of the economy.

Therefore, like last year, the Committee requires that AID, in the design of country strategies, projects, and programs, seek to ensure that the percentage of women participants will be in approximate proportion to their traditional participation in the targeted activities. In the event achieving this goal is not immediately

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protected areas in sub-Saharan Africa. A report should contain an analysis of the cost of implementing such a program.

**Sustainable non-timber forest products**

The sustainable use of a renewable natural resource base is essential to the long-term conservation of biologically rich ecosystems and to the indigenous communities that depend on these ecosystems for their survival. The unsustainable harvesting of timber and other forest products has already resulted in significant loss of biological diversity and local economic options. AID should identify and develop the economic potential of the sustainable use of threatened forests.

AID should address these concerns by working closely with foreign governments, NGO's and local communities. A program should be developed that supports research, training, and field projects that demonstrate economic approaches to the conservation of biodiversity. In seeking partners in such projects, AID should work with organizations that emphasize the role of communities, women and indigenous people in conservation-based development. There should be a particular focus on community-oriented enterprises such as ecotourism and sustainable extraction of non-timber forest products. AID should also address the significant national policy barriers that inhibit community-based forest management and marketing of non-timber forest products.

**Microenterprise**

Public Law 101-513 provides not less than \$75,000,000 for programs of credit and other assistance for microenterprise activities in developing countries. AID should target this program to the poorest 50 percent of the population of the poorest AID-assisted countries. AID should also target at least 50 percent of all microenterprise resources to support productive activities managed by women. Credit and other forms of assistance should be channeled primarily through private community organizations.

According to a February 1991 GAO report, AID has not targeted women in the poorest 20 percent of the population, loans frequently exceeded \$300, and AID does not have an adequate system for monitoring these loans. In its report to Congress "AID and Microenterprise, 1990-92," AID states its commitment to "ensure that a substantial portion of the microenterprise program supports credit for the poor," and to "maximize the participation of women." These are both primary goals of the original microenterprise legislation.

Too few microenterprise resources are being used for small loans for women and the poorest entrepreneurs. A substantial portion of these funds should be used for loans of less than \$300, and special attention given to the acute needs of women.

**War victims fund**

Public Law 101-513 provides \$5,000,000 in development assistance funds for the War Victims Fund. Last year, the Committee expanded the mandate of the War Victims Fund to cover all medical and related assistance, including vocational rehabilitation and training. Thus, the Fund is now available to enable blind and other disabled individuals to become self-supporting. Last year, the administration initiated a war victims program in Vietnam. The funds will be made available through American NGO's with prior experience in humanitarian activities in Vietnam, and will be used to support training of Vietnamese technicians and medical personnel as well as to produce prostheses. These funds should be used for solely humanitarian purposes, to assist Vietnamese in both the north and south regard-

less of which side they may have supported in the war.

AID has begun to use funds from the War Victims Fund in Angola, where tens of thousands of civilians have lost limbs from the extensive use of land mines by both sides in the civil war there. Now that a peace agreement and ceasefire are in place in Angola, AID should act expeditiously to determine what further action can be taken to assist these people.

AID should immediately investigate ways to use the War Victims Fund in Cambodia, where it is estimated that several hundred people are losing limbs from land mines each month. Several NGO's, the Vietnam Veterans of America Foundation, are assisting Cambodian amputees and may be deserving of support.

AID apparently plans to allocate \$3,000,000 of the War Victims fund in Africa from the Development Fund for Africa. While there are significant needs in Africa there is concern that by fencing over one-half of the War Victims fund for Africa before any assessment of how those funds would be spent, AID may be unable to respond to the needs of war victims in other countries. AID should allocate these funds according to need and its ability to implement programs, not according to region.

**Women in development (WID)**

Public Law 101-513 provides not less than \$5,000,000 in development assistance funds to be used to encourage and promote the participation and integration of women in the development process in developing countries. Not less than \$3,000,000 is to be used as matching funds to support the activities of AID field missions to integrate women into their programs.

AID should maintain a Women in Development Office. While the responsibility for incorporating and promoting WID goals lies with all AID offices, a WID office is needed to encourage other AID offices to implement these goals, to manage the matching fund, and to serve as a point of accountability and as an advocate for WID programs.

To achieve full participation in development, women must have equal access to economic, political, civil, and social rights. There is concern that the administration has failed to give the Senate a review and recommendation on the Convention on the Elimination of All Forms of Discrimination Against Women. The convention addresses many critical issues affecting the status of women around the world and complements women-in-development efforts. The United States was a major force behind the treaty and signed it in 1980. The President should submit his review of the convention to the Senate.

**ECONOMIC SUPPORT FUND**

**Portugal**

Since 1980, over \$391,000,000 in local currency generated through the ESP program has been allocated to the Azores Island, a part of Portugal and the site of the United States air base at Lajes. The population of the Azores Islands is approximately 300,000 people. Virtually the entire amount of assistance dedicated to the Azores is used for the investment and operating budget of the local government. The assistance clearly relates to the presence of the Lajes Air Base.

There is concern about the uses of such a large amount of local currency in the Azores to support the operating budget of the local government. The State Department and AID should submit a report by August 1, 1992, providing a detailed funding history and justification for this program.

**Israeli-Palestinian activities**

Activities which bring Palestinians and Israelis together to work on projects of mutual benefit are an important way to bridge the gap created by years of violence and distrust. AID is encouraged to make available funds from the ESP account to private voluntary organizations in Israel and the West Bank and Gaza for educational, cultural, and humanitarian purposes involving both Israelis and Palestinians.

**Eastern Europe**

Public Law 101-513 provides \$369,675,000 for the Eastern Europe special assistance initiative.

**Program coordination and cooperation with the private sector**

There has been progress by the State Department and AID in strengthening the role of the U.S. business community in the Eastern European initiative. However, there continue to be complaints from U.S. businesses that the administration does not have well-defined procedures and processes for assisting and involving the American private sector in the transformation of Eastern Europe. The administration should develop further programs such as the American Business Initiative to provide for maximum involvement of the U.S. private sector, including business and labor organizations, so that its expertise and resources can contribute to the development of a market economy and democratic institutions in Eastern Europe.

**Technical assistance**

The United States has a wealth of technical expertise available to assist emerging democracies. Emphasis should be given to the development of democratic trade union scholarship programs, medical assistance and support for public and private sector development, and for technical and other assistance to support housing sectors. The National Academy of Public Administration could be a valuable resource to AID for technical assistance in the area of public administration.

**Environment and energy assistance**

Assistance should continue to enable these countries to deal with the legacy of four decades of Communist mismanagement. These programs should emphasize assistance encouraging, and providing incentives for, end-use energy efficiency, conservation and reliance on renewable energy sources. They should also include training and technical assistance for related energy and environmental investments or regions, and the local production of environmental or energy-related equipment. Further emphasis should be on the promotion of U.S. technologies and dealing with the problems directly associated with pollution.

**Energy and Environmental Institute**

Last year in its report, the Appropriations Committee urged the allocation of up to \$500,000 to fund a prototype United States Polish energy and environmental institute as a counterpart to the Budapest Regional Environmental Center. While the premission for the Budapest Center is pre-education and dissemination of information a companion demonstration institute in fields of energy and environment is needed to establish effective models of technology collaboration between U.S. national laboratories and federally sponsored research programs and their counterparts in Eastern Europe.

**Democratic pluralism**

Democratic forces in Albania are in need of assistance as they begin to construct the foundations of a democratic society.

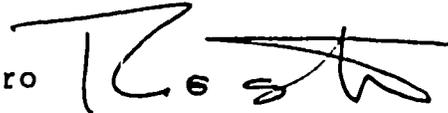
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Agency for International Development  
Washington, D.C. 20523

499-0014  
NOW 410-0002  
AUG 21 1991

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, BUREAU FOR  
ASIA AND PRIVATE ENTERPRISE

FROM: A-APRE/DR, Thomas Nicastro



SUBJECT: Asia Regional Rehabilitation and Prosthetics  
Project, 499-0014 (changed to 410-0002 on 9/14/92 to  
reflect East Asia Regional Project  
Designation) - S. Morawski

Action: You are requested to amend the Laos Prosthetics Project, 398-0370, by signing the First Amendment to the Project Authorization which (1) assigns an APRE Bureau project name and number to this former ANE Bureau activity, (2) permits rehabilitation and prosthetics support to be provided in Asia, thus transforming the project from a single country (Laos) to an Asia regional activity, and (3) increases the authorized life of project funding by \$1.45 million to a total of \$2.3 million. The planned FY 1991 obligation is \$1.35 million, all of which will be used for assistance in Vietnam.

Background: On May 4, 1990, the AA/ANE authorized the Laos Prosthetics Project which seeks to aid those individuals and families who have been injured through civil strife and warfare and require prosthetic devices and rehabilitation assistance. The authorization (attached, Tab A) was for a three-year grant of up to \$850,000. The grant was awarded to World Vision International (WVI), a U.S. Non-Governmental Organization (NGO) operating in Laos. The project is providing assistance through rehabilitation centers in Vientiane and in several rural areas in which there are high concentrations of disabled persons. WVI provides training, technical assistance, equipment and raw materials for surgical units, prosthetics workshops, and the rehabilitation facilities.

In June 1991, an assessment team visited Vientiane and reported that good progress has been made under this program, including the construction, rehabilitation and opening of surgical units, the initiation of long-term training in Thailand for fourteen technicians and the ordering of equipment and materials. The team has recommended that a mid-term evaluation be conducted to thoroughly assess progress and to determine the advisability of expanding the scope and scale of assistance.

Discussion: On April 26, 1991 Undersecretary of State for East Asia and Pacific Affairs Richard Solomon announced that approximately \$1.0 million of U.S. Government assistance would be made available for rehabilitation and prosthetics support in Vietnam. Since 1987 the State Department has encouraged NGO prosthetics activities, although no U.S. Government funds have been directly used. The Undersecretary's statement, therefore, signals a change in U.S. policy.

In response to Undersecretary Solomon's statement, the APRE Bureau has worked with S&T/Health to determine which NGO activities promise immediate and sustained services to beneficiaries. Working through the NGO Forum, a voluntary grouping of all U.S. NGOs providing assistance in Vietnam, a listing of all NGOs known to be providing prosthetics assistance was developed. The NGOs were asked (letter attached, Tab B) to submit proposals which could be evaluated against specific criteria, including non-discrimination in the provision of beneficiary services.

Review of 10 proposals received by a joint APRE/S&T panel from NGOs working in Vietnam determined that World Vision International (WVI), the Prosthetics Research Foundation (PRF), Vets With A Mission, and the International Childrens Fund offered the most promise and were shortlisted. Unsolicited proposals received were not considered if they did not represent an expansion of current prosthetics and rehabilitation activities in Vietnam, a primary selection criterion. The selection process followed conforms to the procedures stated in Handbook 13, Chapter 2, Section 2C.

In June 1991, an assessment team, consisting of an S&T/Health officer and a Veterans Administration prosthetics expert (consultant to the Vessey MIA/POW investigatory team), were sent to Vietnam to assess the sustainability and requirements of programs supported by the four shortlisted NGOs. The team recommended funding two of the four NGOs: WVI and PRF. A.I.D. assistance will expand their ongoing activities in five areas covering northern, central and southern portions of Vietnam. Funding will be provided for training, technical assistance, equipment and raw materials for indigenous groups (supported by WVI and PRF) to double the number of devices they manufacture and provide to amputees, and increase the accessibility to services for those living in remote areas.

Given the needs for assistance in Southeast Asia (e.g., Laos and Vietnam now; possibly Cambodia in the near-term), providing rehabilitation and prosthetics assistance under a single Asia regional project would appear to offer more staff and management efficiency than the creation of new projects as each case arises.

Congressional Notification: No formal Congressional Notification is required because medical and related assistance, including prostheses and vocational rehabilitation and training, for civilian victims of war is earmarked in the Appropriations Act (Assistance to Victims of War). In addition, this legislation includes "notwithstanding any provision of law" language which permits U.S. assistance to Vietnam despite provisions of the Foreign Assistance Act of 1961 as amended that would normally bar U.S. assistance. The sense of Congress is expressed in the 1991 Senate Appropriations Committee Report (attached, Tab C) which cites

Vietnam as one of the countries which should receive prosthetics support.

Implementation: Based on the attached project authorization amendment, the USAID/Thailand Regional Contracting Officer (RCO) will be requested to negotiate and sign grants with (a) World Vision International for \$1,075,000 and (b) the Prosthetics Rehabilitation Foundation for \$275,000. To the extent that there are any restrictions on procurement relating to or in Vietnam and such procurement may be made under this project, the RCO will rely on the "notwithstanding" language as set forth in the legislation. Relying on the "notwithstanding" language, the RCO also may sign a grant with PRF even though it is not registered with A.I.D. Project oversight and monitoring will be provided by USAID/Thailand with support from APRE/W and S&T. An evaluation of these activities will be performed after the first year of operation.

Recommendation: That you sign below and the First Amendment to the Laos Prosthetics Project Authorization, thereby, (1) assigning an APRE Bureau project name and number to this activity, (2) permitting rehabilitation and prosthetics assistance in Asia, and (3) increasing the authorized life of project funding by \$1.45 million to a total of \$2.3 million.

Approved: Paul Laudato

Disapproved: \_\_\_\_\_

Date: 8-21-91

**Attachments**

1. First Amendment to the Project Authorization for the Laos Prosthetics Project
2. Laos Prosthetics Project Action Memorandum and Authorization
3. Solicitation of Proposals Letter
4. Citation from the 1991 Senate Appropriations Committee Report

**Clearances:**

APRE/DR/PD:GMorris (Draft)	Date: 8/13/91
APRE/A:LMorse (Draft)	Date: 8/14/91
APRE/FPM:PDavis (Draft)	Date: 8/15/91
APRE/GC:JPower (Draft)	Date: 8/20/91
ST/H:ARandlov (Draft)	Date: 8/19/91
PPC/PB:PDelBosque (Draft)	Date: 8/13/91
GC/LP:EHonnold (Draft)	Date: 8/12/91
DAA/APRE:GLaudato	Date: _____

WE  
APRE/DR/PD:Welliott, 8/8/91, 663-2374, 0055A

First Amendment to the Project Authorization

Name of Country: Laos

Name of Project: Laos Prosthetics  
Project

Number of Project: 398-0370

The Project Authorization for the Laos Prosthetics Project was signed on May 4, 1990 for planned obligations not exceeding eight hundred fifty thousand U.S. Dollars (\$850,000). The Project Authorization is hereby amended and restated in its entirety as follows:

Project Authorization

Name of Country: Regional

Name of Project: Asia Regional Rehabilitation and Prosthetics  
Project

Number of Project: 499-0014

Name of Grantee(s): Various

1. Pursuant to Chapter 4, Part II (Economic Support Funds) and Section 104 (Population and Health) of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Asia Regional Rehabilitation and Prosthetics Project ("Project") involving planned obligations of not to exceed two million three hundred thousand U.S. Dollars (\$2,300,000) over the period from May 4, 1990 to September 30, 1993, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process.

2. The Project will consist of grants to U.S. Non-Governmental Organizations (NGOs) which will provide medical and related assistance, including prostheses and vocational rehabilitation and training, for civilian victims of war. The grantees will work through and provide technical assistance, training, equipment, and raw materials to indigenous groups in APRE Bureau Asia countries (or activities therein) which are eligible for assistance.

3. The agreements and contracts necessary to implement the Project may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, together with other terms and conditions as A.I.D. may deem appropriate.

  
Henrietta Holzman Fore  
Assistant Administrator  
Bureau for Asia and Private  
Enterprise

8-21-91  
Date

*Handwritten initials*

Agency for International Development  
Washington, D.C. 20523

file Laos

May 4, 1990

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA, NEAR EAST AND EUROPE

FROM: ANE/PD, Bruce Odell   
SUBJECT: Laos Prosthetics Project

**Action:** Your authorization of a grant of up to \$850,000 for a three-year grant to World Concern for a Prosthetics project in Laos. Based on that authorization and your redelegation of authority, (a) U.S. Embassy Vientiane intends to sign a Memorandum of Understanding with the Government of Laos on this assistance and (b) USAID/Bangkok will negotiate a grant with World Concern to implement the assistance.

**Discussion:** Based on the September 1989 survey team report on the prosthetics situation in Laos, and Undersecretary Kimmitt's concurrence with the concept of USG support for prosthetics rehabilitation in Laos, a proposal is being finalized by World Concern (an American PVO registered with A.I.D.) for a prosthetics project in Laos. ANE/TR and USAID/Bangkok have reviewed the substance of that proposal and find it fully satisfactory.

The survey team concluded that a prosthetics project in Laos is warranted, feasible and politically welcome. The principal issue raised was the management of project components in the absence of an A.I.D. Mission. To address this issue under the proposed project, World Concern will be responsible for program management, subgrants and project reporting. World Concern, which specializes in emergency relief and rehabilitation, has an ongoing primary health care program in Laos with a resident U.S. director. World Concern has supported The National Rehabilitation Center in Laos, and is familiar with the problems of amputees and other victims of the ordnance that saturates parts of the country. World Concern is the only U.S. PVO with the requisite experience in Laos, and accordingly may be selected for a non-competitive grant under the provisions of Handbook 13, Chapter 2, Section 2,B,3,b.

Based on the survey team recommendations, the findings of World Concern and the AID/W Project Committee, the objective of this grant will be to aid those individuals and families who have been injured and maimed and require prosthetics devices and rehabilitation assistance. Through World Concern, a variety of activities will be implemented to assist the population in Laos with injuries resulting from civil strife and warfare. Activities to assist this population include: (a) gaining an accurate and clear picture of the numbers, locations and types of

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handicapped/disabilities within Laos with injury resulting from civil strife and warfare and provide a priority plan of action to meet these needs; (b) meeting the immediate problems of treating and fitting those needing care with prostheses, using appropriate materials; (c) building medical prosthesis and orthopedic capacity by training local medical personnel in basic skills of orthopedics and physical rehabilitation as well as providing equipment and supplies necessary to teach and perform prosthetic and orthopedic services; (d) improving Lao capability in orthopedic and physical rehabilitation by improving the training and treatment provided at the Center; and (e) skills training for those rehabilitated handicapped persons so that they can be supporting members of their families and communities. The project will begin with a detailed needs assessment survey and a nationwide plan of action for rehabilitation service. Based on this survey and follow-on plan, a detailed implementation plan will further define the highest priority activities to be executed by World Concern.

The survey team recommended approximately \$1.1 million for a three year prosthetics assistance program in Laos. That figure is modest compared to the apparent need, but we have scaled the proposed level of A.I.D. assistance back to \$850,000 because of inherent uncertainties related to the first A.I.D. activity in Laos in 15 years. We will consider further funding needs and possibilities in a year depending on project success.

Recent improvements in U.S.-Laos relations have included agreement on a narcotics memorandum of understanding, a narcotics crop substitution project, interest by GOL in attracting Western business investment, specific requests for direct USG humanitarian assistance, and a general desire for a return to more normal relations with the United States.

Prosthetics assistance is earmarked in Title II of the FY 1991 Appropriations Act (P.L. 101-167), Assistance to Victims of War. The legislation includes "notwithstanding any provisions of law" language which permits U.S. assistance to Laos despite violations of the Foreign Assistance Act of 1961 as amended that would normally bar U.S. assistance. Laos presently is in violation of certain statutory provisions although it is now certified eligible for assistance under the narcotics control provisions. This situation was noted in the recommendation to Undersecretary Kimmitt and he agreed that since the existence of the "notwithstanding" clause made the statutory violations a matter of policy, we should proceed with the project. Your authorization will constitute your concurrence with that view.

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Senator Leahy's staff (the authors of the prosthetics earmark) have been briefed by the survey team and strongly support the program outlined above. USAID/Bangkok has agreed to negotiate a grant with World Concern and manage the project.

Recommendation: (a) That by approving below you authorize this project on the terms and conditions stated above.

Approved: Caul Adelman

Disapproved: \_\_\_\_\_

Date: 5/4/90

(b) That by approving below you concur with U.S. Embassy Vientiane's intention to execute a Memorandum of Understanding with the Government of Laos on this project.

Approved: Caul Adelman

Disapproved: \_\_\_\_\_

Date: 5/4/90

(c) That by signing below you delegate to the USAID/Bangkok Director the authority to execute and implement a grant agreement with World Concern for up to \$850,000 for a prosthetics project in Laos.

Approved: Caul Adelman

Disapproved: \_\_\_\_\_

Date: 5/4/90

Drafter: ANE/EA, M Feldstein:sc:04/27/90:X79136:85690:Rev 5/3/90

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Calendar No. 957

101st CONGRESS  
2d Session

SENATE

REPORT  
101-519

FOREIGN OPERATIONS, EXPORT FINANCING, AND  
RELATED PROGRAMS APPROPRIATION BILL, 1991

OCTOBER 10 (legislative day, OCTOBER 2), 1990.—Ordered to be printed

Mr. LEAHY, from the Committee on Appropriations,  
submitted the following

REPORT

[To accompany H.R. 5114]

The Committee on Appropriations to which was referred the bill (H.R. 5114), making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1991, and for other purposes, reports the same to the Senate with various amendments and presents herewith an explanation of the contents of the bill.

*Amounts in new budget authority*

Fiscal year 1990 appropriations.....	\$15,523,490,180
Fiscal year 1991 budget estimate .....	15,518,826,537
Amount of bill as passed by House .....	15,637,093,273
Amount of bill as reported to Senate .....	15,533,040,543
Bill as recommended to Senate compared to:	
1990 appropriations .....	- 3,327,637
Budget estimate .....	+ 14,214,006
House reported bill.....	- 104,052,730

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family. The committee recognizes that some recipients of microenterprise loans will graduate from microenterprises to small businesses while other participants will maintain themselves at stabilized, subsistence levels.

The Administrator of AID is to target this program to the poorest one-half of the population of the poorest AID-assisted developing countries. AID is also to target a majority of these funds to support microenterprise activities managed by women. To best achieve the goals of the program, AID should channel credit and other forms of assistance through private, nonprofit, community-based agencies that have established links to the very poorest people in urban and rural areas of developing countries.

The Committee is aware of the difficulties AID has experienced in initiating the microenterprise program. There have been various definitions of what constitutes a microenterprise and there have been many voices calling for the program to focus on specific groups. The AID Microenterprise Development Program report to Congress reveals that only one-sixth of the funds used for direct credit in 1989 went toward loans of less than \$300. This is far below the expectations of the Committee and must be greatly improved to avoid future earmarking. The Committee is concerned that too few of the microenterprise resources are going to the poorest entrepreneurs in the form of small loans, but notes that in 1989 the average loan size was \$357. This is a sign that AID is beginning to move in the right direction.

To assist AID in meeting the goals enumerated above, the Committee recommends that AID use \$20,000,000 of the microenterprise funds for loans of less than \$300. The Committee is aware of the debate within the PVO community over the wisdom of setting loan limits on a portion of the program in order to meet the goal of targeting small loans to the poorest people.

The Committee reiterates its intent that the microenterprise program benefit the poorest of the poor. To avoid loan size limits in future bills, the Committee suggests that AID, in coordination with its Microenterprise Advisory Committee, provide the Committee with specific actions AID will take to ensure that the Congress' goals in establishing the microenterprise program will be met.

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The Committee believes that because of the huge numbers of injured civilians who are in need of emergency medical care in countries whose health care systems have been decimated by war, the

mandate of the war victims fund should be expanded. Accordingly, the Committee has included bill language extending the fund to cover medical and related assistance, including prostheses and vocational rehabilitation and training, for civilian victims of war. It is the Committee's intent that these funds will benefit those individuals who have suffered disabling injuries and who, with this assistance, can become productive members of society. The Committee also intends that war victims projects currently funded with prior year funds may be modified consistent with this expansion of the war victims fund mandate.

In prior reports, the Committee encouraged the administration to investigate the feasibility of using the war victims fund in Angola and Vietnam, (which together are estimated to have 80,000 to 100,000 amputees. Cambodia is another country where there are tens of thousands of civilians suffering from disabling injuries caused by war. The Committee is aware that although the United States does not have AID missions in these countries, there are international and private voluntary organizations conducting humanitarian activities in them. The war victims fund was established to alleviate the suffering of civilian victims of war regardless of the political ideology of their government. Thus, the Committee believes that every effort should be made to target a portion of these funds in these countries containing such a large number of civilian war victims. The Committee requests AID to investigate the feasibility of channeling war victims fund assistance through such organizations to civilian victims of war in Angola, Vietnam, and Cambodia with appropriate recognition to the United States for this assistance, and to report its findings to the Committee.

The Committee further requests AID to determine the feasibility of making such assistance available to civilian victims of war in Lebanon, where civil strife has caused thousands of disabling injuries.

#### WOMEN IN DEVELOPMENT

The Committee has earmarked not less than \$5,000,000 in development assistance funds to be used to encourage and promote the participation and integration of women in the development process in developing countries. The Committee also specifies that of this amount, not less than \$3,000,000 is to be used as matching funds to support the activities of AID field missions to integrate women into their programs. The Committee is encouraged by the response of field missions in this regard during the past year.

The Committee is convinced that a high level of participation by women is necessary for the success of development programs. Women in these countries produce and market most of the food and operate many small businesses and increasing amounts of U.S. assistance should be directed to these women who are often the backbone of the economy.

Therefore, like last year, the Committee requires that AID, in the design of country strategies, projects, and programs, seek to ensure that the percentage of women participants will be in approximate proportion to their traditional participation in the targeted activities. In the event achieving this goal is not immediately

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Agency for International Development  
Washington, D.C. 20523

May 4, 1990

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, BUREAU FOR  
ASIA, NEAR EAST AND EUROPE

FROM: ANE/PD, Bruce Odell

SUBJECT: Laos Prosthetics Project (Changed to 499-0014 on 8/21/91  
when designated as Asia Regional Project. Changed again on  
9/14/92 to 410-0002 when designated as East Asia Regional Project)

Action: Your authorization of a grant of up to \$850,000 for a <sup>S. Incurran</sup> three-year grant to World Concern for a Prosthetics project in Laos. Based on that authorization and your redelegation of authority, (a) U.S. Embassy Vientiane intends to sign a Memorandum of Understanding with the Government of Laos on this assistance and (b) USAID/Bangkok will negotiate a grant with World Concern to implement the assistance.

Discussion: Based on the September 1989 survey team report on the prosthetics situation in Laos, and Undersecretary Kimmitt's concurrence with the concept of USG support for prosthetics rehabilitation in Laos, a proposal is being finalized by World Concern (an American PVO registered with A.I.D.) for a prosthetics project in Laos. ANE/TR and USAID/Bangkok have reviewed the substance of that proposal and find it fully satisfactory.

The survey team concluded that a prosthetics project in Laos is warranted, feasible and politically welcome. The principal issue raised was the management of project components in the absence of an A.I.D. Mission. To address this issue under the proposed project, World Concern will be responsible for program management, subgrants and project reporting. World Concern, which specializes in emergency relief and rehabilitation, has an ongoing primary health care program in Laos with a resident U.S. director. World Concern has supported The National Rehabilitation Center in Laos, and is familiar with the problems of amputees and other victims of the ordnance that saturates parts of the country. World Concern is the only U.S. PVO with the requisite experience in Laos, and accordingly may be selected for a non-competitive grant under the provisions of Handbook 13, Chapter 2, Section 2,B,3,b.

Based on the survey team recommendations, the findings of World Concern and the AID/W Project Committee, the objective of this grant will be to aid those individuals and families who have been injured and maimed and require prosthetics devices and rehabilitation assistance. Through World Concern, a variety of activities will be implemented to assist the population in Laos with injuries resulting from civil strife and warfare. Activities to assist this population include: (a) gaining an accurate and clear picture of the numbers, locations and types of

handicapped/disabilities within Laos with injury resulting from civil strife and warfare and provide a priority plan of action to meet these needs; (b) meeting the immediate problems of treating and fitting those needing care with prostheses, using appropriate materials; (c) building medical prosthesis and orthopedic capacity by training local medical personnel in basic skills of orthopedics and physical rehabilitation as well as providing equipment and supplies necessary to teach and perform prosthetic and orthopedic services; (d) improving Lao capability in orthopedic and physical rehabilitation by improving the training and treatment provided at the Center; and (e) skills training for those rehabilitated handicapped persons so that they can be supporting members of their families and communities. The project will begin with a detailed needs assessment survey and a nationwide plan of action for rehabilitation service. Based on this survey and follow-on plan, a detailed implementation plan will further define the highest priority activities to be executed by World Concern.

The survey team recommended approximately \$1.1 million for a three year prosthetics assistance program in Laos. That figure is modest compared to the apparent need, but we have scaled the proposed level of A.I.D. assistance back to \$850,000 because of inherent uncertainties related to the first A.I.D. activity in Laos in 15 years. We will consider further funding needs and possibilities in a year depending on project success.

Recent improvements in U.S.-Laos relations have included agreement on a narcotics memorandum of understanding, a narcotics crop substitution project, interest by GOL in attracting Western business investment, specific requests for direct USG humanitarian assistance, and a general desire for a return to more normal relations with the United States.

Prosthetics assistance is earmarked in Title II of the FY 1991 Appropriations Act (P.L. 101-167), Assistance to Victims of War. The legislation includes "notwithstanding any provisions of law" language which permits U.S. assistance to Laos despite violations of the Foreign Assistance Act of 1961 as amended that would normally bar U.S. assistance. Laos presently is in violation of certain statutory provisions although it is now certified eligible for assistance under the narcotics control provisions. This situation was noted in the recommendation to Undersecretary Kimmitt and he agreed that since the existence of the "notwithstanding" clause made the statutory violations a matter of policy, we should proceed with the project. Your authorization will constitute your concurrence with that view.

Senator Leahy's staff (the authors of the prosthetics earmark) have been briefed by the survey team and strongly support the program outlined above. USAID/Bangkok has agreed to negotiate a grant with World Concern and manage the project.

Recommendation: (a) That by approving below you authorize this project on the terms and conditions stated above.

Approved: Caryl Adelman

Disapproved: \_\_\_\_\_

Date: 5/4/90

(b) That by approving below you concur with U.S. Embassy Vientiane's intention to execute a Memorandum of Understanding with the Government of Laos on this project.

Approved: Caryl Adelman

Disapproved: \_\_\_\_\_

Date: 5/4/90

(c) That by signing below you delegate to the USAID/Bangkok Director the authority to execute and implement a grant agreement with World Concern for up to \$850,000 for a prosthetics project in Laos.

Approved: Caryl Adelman

Disapproved: \_\_\_\_\_

Date: 5/4/90

Drafter: ANE/EA, M Feldstein:sc:04/27/90:X79136:85690:Rev 5/3/90