

PD-ABK-905

1995 03 30

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

AMENDMENT NO. 5  
TO THE  
PROJECT MEMORANDUM

NEW INDEPENDENT STATES:  
SPECIAL INITIATIVES  
(110-0001)

APPROVED: MARCH 30, 1995



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

MAR 30 1995

**ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, ENI**

**THROUGH:** DAA/ENI, Barbara Turner

**FROM:** ENI/HR, Alan Silva 

**SUBJECT:** Project Authorization Amendment No. 5 for the New Independent States Special Initiatives Project, 110-0001

**Issue:** Your approval is requested to increase the authorized life-of-project funding for the New Independent States (NIS) Special Initiatives Project from \$257 million to \$379.6 million to allow for additional funding of on-going activities and to extend the Project Activity Completion Date (PACD) to September 30, 1997.

**Discussion:** The Special Initiatives Project serves as a mechanism to fund priority activities, humanitarian assistance, and unique activities which do not fit within other project categories. The purpose of the project is to support the economic and social transformation of the NIS republics into free-market democracies by providing critical transitional technical and commodity assistance as well as Western knowledge and experience to sustain populations through periods of civil conflict and/or economic crisis that constitute obstacles to meaningful reform.

The original project authorization was signed on January 21, 1992, establishing an initial PACD of February 4, 1994. Amendment No. 1 to the authorization was signed on March 27, 1992; Amendment No. 2, signed August 31, 1992; Amendment No. 3, signed on January 6, 1993; Amendment No. 4, signed on February 4, 1994. By Action Memorandum, signed June 24, 1994, the PACD was extended to August 31, 1996.

Project activities have included the following:

- **Emergency Humanitarian Assistance:** Vulnerable group (e.g., mothers, children, refugees, displaced persons, and elderly) feeding; Armenia crisis response; a PVO Caucasus comprehensive humanitarian/transition program; pharmaceutical and vaccine procurement; early warning, emergency preparedness, and field management; U.S. participation in multilateral humanitarian responses; humanitarian transportation and related administrative/

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program costs; and other humanitarian initiatives (e.g. a Tajikistan NGO reconstruction program, Georgia mazout supply, and Ukrainian flood response).

- **Quick Response/Cross-Sectoral Activities:** Department of Commerce Special American Business Intern Training Program (SABIT); USIA Public Policy Program; Department of State (State/H) Rule of Law Program; International Executive Service Corps (IESC) Program; Citizens' Democracy Corps (CDC) Activity; USIA America House Program; Organization for Economic Cooperation and Development (OECD); and Private Voluntary Organization (PVO) Support activities.
- **Other Programs:** Joint U.S.-Turkey family planning activities for Central Asia, U.S.-Israel agricultural technical assistance, and training.
- **Program Development and Support (PD&S):** Design, audit and evaluation, and monitoring/management to strengthen, consolidate, and implement activities under this project or activities of a cross-cutting nature which are not funded under other specific NIS projects.

**PROJECT DESCRIPTION:** This Project will continue to serve as the mechanism to respond quickly to humanitarian needs, transitional opportunities that bridge the gap between humanitarian and development assistance activities, and activities not fitting clearly within established assistance sectors. The increase in life-of-project funding will be used for the following illustrative activities:

- **HUMANITARIAN ASSISTANCE**

Vulnerable Group Feeding: Section 570 of the FY 1995 Appropriations Act, under the heading "Agricultural Aid to the New Independent States of the Former Soviet Union", specifies that:

"up to \$50,000,000 should be made available only for provision of United States agricultural commodities to address the food and nutrition needs of the people of the new independent states of the former Soviet Union."

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To this end, this amendment will continue to provide U.S. agricultural commodities for vulnerable groups (e.g., primarily pregnant/lactating women, small children, displaced persons, elderly pensioners who lack other support, victims of war and natural disasters, and institutionalized persons). Food assistance will be targeted to such groups in Armenia, Azerbaijan, Georgia, and Tajikistan. Authorizations for this activity through FY 1994 totaled \$82 million; a total authorization of \$106.45 million is proposed in this amendment. Assistance will be provided and monitored through private voluntary organizations and United Nations relief agencies.

Armenia Crisis Response and Winterization: In response to the urgent need in Armenia for humanitarian assistance to assist the government in dealing with the ongoing crisis caused by the breakup of the Soviet Union and the continuing economic embargo, this project funds programs designed to deal with the most critical of Armenia's needs. Foremost among these is the need for heat during the winter. This \$21 million program is now in its second year. Results include sustained delivery of heating fuel to over 200,000 families and the continued operation of over 1,000 schools during winter. The second critical need is for production of wheat. A two-season \$3 million program provided technical assistance and wheat seed to enable Armenians to meet more of their food needs by themselves. A third area requiring prompt response was the needs of Armenia's refugees. A \$6.2 million program was designed to assist these vulnerable people. These three programs responded to Congressional earmarks of \$23 million. Authorizations for this activity through FY 1994 totaled \$26 million; a total authorization of \$38.45 million is proposed in this amendment.

Comprehensive Caucasus PVO Humanitarian/Transitional Program: This amendment will continue to fund the PVO Emergency Humanitarian Assistance Program in the Caucasus which is managed by Save the Children Federation (SCF), under a cooperative agreement. Under this program, SCF analyzes and prioritizes overall needs and recommends programming areas for USAID approval. Furthermore, SCF monitors the changing status of vulnerable populations, targets assistance to them, encourages PVO response, and provides subgrants to PVOs to undertake humanitarian programs.

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Subgrant activities have included:

- food assistance for vulnerable populations,
- medical pharmaceutical support,
- emergency feeding, shelter, and sanitation programs targeted to displaced persons and refugees,
- mobile clinics for displaced populations,
- heaters to enable schools to function during the winter, and
- PVO/NGO training program.

The SCF cooperative agreement allows for rapid response to deal with unforeseen emergencies, as well as for managing the transition to development activities. Authorizations for this activity through FY 1994 totaled \$32 million; a total authorization of \$51.25 million is proposed in this amendment.

Early Warning, Emergency Preparedness, and Field Management:

Primary areas of support include emergency management training and technical assistance; epidemiological and nutritional surveillance; medical, food, and related emergency assessments/action plans; evaluations; and field project management and monitoring, all of which are field-based and country-specific. Authorizations for this activity through FY 1994 totaled \$6 million; a total authorization of \$9 million is proposed in this amendment.

U.S. Participation in Multilateral Humanitarian Response: In both the Caucasus and Tajikistan, the magnitude of the humanitarian crisis dwarfs our bilateral capacity to respond. International organizations, in some areas, are positioned for immediate response; in other areas, they have greater capacity to provide direct relief or protection services than the U.S. can bilaterally or through PVOs. To involve such organizations more meaningfully in the humanitarian effort and to enhance prospects for burden-sharing amongst other donors, the Bureau (in conjunction with USDA, S/NIS/C, and State/PRM) will continue, as appropriate, to respond to international appeals of such organizations as the International Committee of the Red Cross (ICRC), the International Federation of the Red Cross (IFRC), the United Nations High Commissioner for Refugees (UNHCR), the World Food Program (WFP), the United Nations Department of Humanitarian Affairs (DHA), the United Nations Children's Emergency Fund (UNICEF), and the International Organization for Migration (IOM). Authorizations for this activity through FY 1994 totaled \$22.4 million; a total authorization of \$33.8 million is proposed in this amendment.

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Pharmaceuticals, Vaccines, and Medical Supplies: Ethnic conflict and atrophied economies have increased national requirements for pharmaceuticals and, at the same time, have reduced internal capacities to supply/procure those medicines. The original activity, which envisioned activities in all the NIS republics, has been focused more narrowly on the Caucasus and Tajikistan, which have suffered the worst humanitarian crises caused by civil conflict, and Ukraine (due to economic dislocation). The activity procures (a) vaccines in support of the World Health Organization (WHO) Operation MECACAR for the mass immunization in selected countries against diphtheria and polio and (b) pharmaceuticals for distribution in the three Caucasus republics at the lower end of the health chain. Authorizations for this activity through FY 1994 totaled \$24 million; a total authorization of \$30.9 million is proposed in this amendment.

Other Emergency Initiatives: This activity includes bilateral grants or activities with PVOs not included under other line-items (which are specific to Armenia and the SCF activity in the Caucasus). This component has financed such activities as Georgia mazout, Ukraine flooding rehabilitation, and PVO activities in Tajikistan. Authorizations through FY 1994 totaled \$1.11 million; a total authorization of \$5.085 million is proposed under this amendment.

Humanitarian Transportation Transfer: Funds from this Project are allocated, via Section 632(a) mechanism, to the Coordinator's Office in the Department of State (S/NIS/C) to be used in transporting humanitarian assistance commodities to the NIS, as well as related services, and in procuring limited amounts of commodities (such as fertilizers and herbicides) to complement on-going USAID humanitarian activities. A total authorization of \$28.375 million is proposed in this amendment.

• **QUICK RESPONSE/CROSS-SECTORAL ACTIVITIES**

All program activities funded under this component, i.e., SABIT, USIA Public Policy, State/H Rule of Law, IESC, Citizens' Democracy Corps and PVO Support activities have been incorporated into sector-specific projects and will not receive future funding from this Project. Therefore, the authorized level will remain at \$31.85 million.

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• **PILOT PROGRAMS/INNOVATIVE APPROACHES**

Continued funding for the U.S.-Israel Cooperation Program will be provided through OYB transfers from the NIS Account to the R&D and ANE Bureaus and, therefore, will not be funded under this Project. The U.S.-Turkey program for the Women's Reproductive Health Initiative will continue in FY 1995. Authorizations for this activity through FY 1994 totaled \$4.34 million; a total authorization of \$7.015 million is proposed in this amendment. The Title VIII program with the State Department had authorizations through FY 1994 of \$6.4 million; the total amount proposed for authorization is \$12.625 million.

• **TECHNICAL SUPPORT AND PROGRAM DEVELOPMENT AND SUPPORT (PD&S)**

Technical support and PD&S activities include longer-term technical requirements, short-term technical assistance, and other projected-related design and support activities in order to strengthen and consolidate the implementation of humanitarian assistance activities and activities that are not sector-specific. This component includes certain non-OE personnel staff costs for ENI/HR/EHA and other ENI offices (essentially staff offices), which are not otherwise included under other sectoral projects. Authorizations for PD&S activities through FY 1994 totaled \$8.99 million; a new total authorization of \$12.890 million is proposed in this amendment.

Uses of PD&S funds were tied in the past to procedures in Chapter 1 of USAID Handbook 3. The PD&S component of this project was specifically designed, however, for the unique requirement of the assistance program under the FREEDOM Support Act. As the program matured, so have the needs under the PD&S component of this project. Therefore, with this authorization amendment, the FY 1995 Guidance for Use of Project Development and Support (PD&S) Funds, as contained in cable 95 STATE 029107 (TAB E), supplants the procedures included in Chapter 1 of Handbook 3, so that these funds can be more responsive to the unique needs of the region.

• **OTHER NIS PROGRAMS**

\$5.48 million was authorized in Amendment No. 4 to fund other NIS priorities, including emergency humanitarian assistance activities; this amendment has not changed that level.

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**TOTAL LIFE-OF-PROJECT FUNDING**

The authorization for total life-of-project (LOP) funding is, therefore, being increased by \$122.6 million, bringing the total LOP authorization level to \$379.6 million. The table, immediately below, illustrates authorized levels (in millions of dollars), which may be adjusted up to 10 percent between line-items without amendment to the authorization, based on priorities and urgent requirements:

<u>Activity</u>	<u>Current Amount</u>	<u>This Amendment</u>	<u>New Total</u>
Emergency Humanitarian Assistance	\$199.940	\$109.800	\$309.740
Quick Response/ Cross-Sectoral Activities	31.850	-0-	31.850
Pilot Programs/ Innovative Approaches	10.740	8.900	19.640
Technical Support and Program Development and Support	8.990	3.900	12.890
<u>Other NIS Programs</u>	<u>5.480</u>	<u>-0-</u>	<u>5.480</u>
<b>TOTAL</b>	<b>\$257.000</b>	<b>\$122.600</b>	<b>\$379.600</b>

**CONGRESSIONAL NOTIFICATION:** The Congressional Notification was in process as this amendment was being prepared.

**PROJECT ASSISTANCE COMPLETION DATE (PACD):** This amendment will extend the PACD to September 30, 1997, from August 31, 1996, in order to allow for completion of currently anticipated activities.

**Recommendation:** That you sign the attached Project Authorization Amendment No. 5 (Tab A) for the Special Initiatives Project (110-0001) with a planned life-of-project funding of \$379.6 million and PACD of September 30, 1997, subject to the availability of funds, and approve and sign the Initial Environmental Examination (Tab B).

Attachments for Project Authorization Amendment No 5. for the New  
Independent States Special Initiatives Project, 110-0001:

- TAB A. Authorization Amendment
- TAB B. Initial Environmental Examination
- TAB C. Illustrative Budget
- TAB D. Amendment Authorization No. 4 and  
Action Memo Extending PACD
- TAB E. FY 1995 Guidance for PD&S Funds - Special  
Initiatives Project 110-0001 (95 STATE 029107)

PROJECT AUTHORIZATION

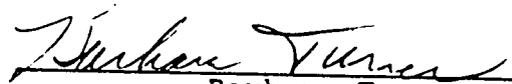
AMENDMENT NUMBER 5

**Name of Region:** New Independent States (NIS)  
**Project Name:** Special Initiatives  
**Project Number:** 110-0001

1. The Special Initiatives Project was authorized on January 21, 1992, and amended on March 27, 1992, August 31, 1992, January 6, 1993, and February 4, 1994. Paragraph 1 of the project authorization, as amended, is hereby further amended to read as follows:

1. Pursuant to Sections 104, 531, 491 and 498 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Special Initiatives Project for the new independent states of the former Soviet Union (NIS), involving planned obligations of not to exceed \$379,600,000 in grant funds over a five-year period from the date of original authorization, subject to the availability of funds in accordance with the USAID OYB/allotment process, to help in financing foreign exchange and local currency costs of the project. Except as USAID may otherwise agree in writing, the planned project assistance completion date is September 30, 1997.

2. Except as modified herein, the project authorization remains in force.

  
\_\_\_\_\_  
Barbara Turner  
Deputy Assistant Administrator  
Bureau for Europe and the  
New Independent States

4/4/95  
\_\_\_\_\_  
Date

Clearances: As shown on the Action Memorandum

drafted: BBryant:GC/ENI:03/29/95AM  
revised: ASilva:ENI/HR:03/29/95PM

drafted: BBryant:GC/ENI:03/29/95

A handwritten signature or set of initials, possibly 'BBryant', written in black ink. The signature is positioned over the text 'drafted: BBryant:GC/ENI:03/29/95'.

INITIAL ENVIRONMENTAL EXAMINATION

- (A) PROGRAM COUNTRY: New Independent States  
(Regional)
- (B) ACTIVITY: NIS Special Initiatives,  
No. 110-0001
- (C) FUNDING: \$ 49,182,330 (ESF)  
\$ 12,727,719 (IDA)  
\$ 11,363,718 (DAF)  
\$306,326,233 (NIS)
- (D) PERIOD OF FUNDING: FY 1995, FY 1996, FY 1997
- (E) STATEMENT PREPARED BY: Dennis Culkin, ENI/HR/EHA
- (F) RECOMMENDED ENVIRONMENTAL ACTION: Positive Determination under USAID Environmental Procedures (22 CFR 216) with the exception of the categorical exclusions under Section 216.2 (c)(2)(i), (iii), and (viii). As appropriate, exemptions will be invoked per 216.2(b)(1)(i) and (ii). Subproject IEEs, approved by Mission or Office Director and BEO, will be incorporated in all project implementation documents.
- (G) DECISION OF DAA/ENI *[Signature]*  
Approved  
  
\_\_\_\_\_  
Disapproved  
4/4/95  
\_\_\_\_\_  
Date
- (H) DECISION OF ENVIRONMENTAL OFFICER, ENI *[Signature]*  
Approved  
  
\_\_\_\_\_  
Disapproved  
  
\_\_\_\_\_  
Date

EXAMINATION OF THE NATURE, SCOPE AND MAGNITUDE OF THE ENVIRONMENTAL IMPACT OF SPECIAL INITIATIVES PROJECT (110-0001)

A. DESCRIPTION OF THE PROJECT:

This Project will continue to serve as the mechanism to respond quickly to humanitarian needs, transitional opportunities that bridge the gap between humanitarian and development assistance activities, and activities not fitting clearly within established assistance sectors.

B. RECOMMENDED ENVIRONMENTAL ACTION:

This Project provides emergency and humanitarian assistance, training and other technical assistance. A positive determination should be made under USAID's Initial Environmental Examination, Environmental Assessment and Environmental Impact Summary requirements. Sub-project IEEs, approved by Mission or Office Director and the Bureau Environmental Officer, will be incorporated in all project implementation documents. Many activities under this Project will qualify for categorical exclusion in accordance with USAID Environmental Procedures 22CFR Part 216, Section 216.2 (c) (2) (i), (iii), and (viii), which generally provide for a categorical exclusion for certain classes of actions. An exemption from USAID environmental impact assessment requirements, when appropriate, may be requested per 216.2(b)(1)(i) and (ii).

The Project Officer will ensure that Grantees review each proposed activity in accordance with Regulation 22CFR216, and will conduct any further environmental analysis on approved grants that do not meet the criteria for categorical exclusion. Further, if the Project Officer is made aware at any time, by the Grantee or otherwise, that a categorically excluded activity is having or will have significant impacts on the environment, this information will be transmitted without delay to the Bureau Environmental Office for its review and appropriate action.

Recommendation: Positive Determination under USAID Environmental Procedures (22 CFR 216) with the exception of the categorical exclusions under Section 216.2 (c)(2)(i), (iii) and (viii). As appropriate, exemptions will be invoked per 216.2(b)(1)(i) and (ii). Sub-project IEEs, approved by Mission or Office Director and BEO, will be incorporated in all project im- plementation documents.

**SPECIAL INITIATIVES PROJECT (110-0001)****ILLUSTRATIVE BUDGET****(IN \$ 000)**

<b>Activity</b>	<b>Current Amount</b>	<b>This Amendment</b>	<b>TOTAL AUTHORIZED</b>
<b>Emergency Humanitarian Assistance</b>	\$199.940	\$109.800	\$309.740
-Vulnerable Groups Feeding	\$82.000	\$24.450	\$106.450
-Armenia Crisis Response	\$26.000	\$12.450	\$38.450
-Child Vaccination Campaign	\$6.430	\$0.000	\$6.430
-Comprehensive Caucasus PVO Humanitarian Program	\$32.000	\$19.250	\$51.250
-Early Warning, Emergency Preparedness, and Field Management	\$6.000	\$3.000	\$9.000
-U.S. Participation in Multilateral Humanitarian Responses	\$22.400	\$11.400	\$33.800
-Pharmaceuticals, Vaccines, and Supplies	\$24.000	\$6.900	\$30.900
-Other Emergency Initiatives	\$1.110	\$3.975	\$5.085
-Humanitarian Transport	\$0.000	\$28.375	\$28.375
<b>Quick Response/Cross-Sectoral</b>	\$31.850	\$0.000	\$31.850
-America Houses	\$3.000	\$0.000	\$3.000
-PVO Support	\$16.000	\$0.000	\$16.000
-Special American Business Intern Training (SABIT)	\$2.000	\$0.000	\$2.000
-International Executive Service Corps (IESC)	\$3.840	\$0.000	\$3.840
-Citizens Democracy Corps (CDC)	\$2.370	\$0.000	\$2.370
-Rule of Law	\$1.060	\$0.000	\$1.060
-USIA Public Policy	\$2.400	\$0.000	\$2.400
-Organization for Economic Cooperation and Development (OECD)	\$1.180	\$0.000	\$1.180
<b>Pilot Programs/Innovative Approaches</b>	\$10.740	\$8.900	\$19.640
-U.S.- Turkey Joint Cooperation	\$4.340	\$2.675	\$7.015
-Title VIII*	\$6.400	\$6.225	\$12.625
<b>Technical Support and Program Development &amp; Support</b>	\$8.990	\$3.900	\$12.890
<b>Other NIS Programs</b>	\$5.480	\$0.000	\$5.480
<b>Total, Special Initiatives Project (110-0001)</b>	<b>\$257.000</b>	<b>\$122.600</b>	<b>\$379.600</b>

\* The Title VIII Program is mandated under the Soviet-Eastern European Research and Training Act of 1983. The Program is managed by the Department of State Bureau of Intelligence and Research under a 632(a) allocation transfer.

## NIS Project 110-0001 Project Components

In brackets, program objectives keyed to the NIS Strategic Framework Matrix. Assignment of implementers in parentheses under component 3 need to be verified and some other implementers may need to be added to those sub-project categories (e.g. America House).

1. Emergency and Humanitarian Assistance [P.O. 3.3]
  - 1.1 Vulnerable Group Feeding
  - 1.2 PVO Caucasus Comprehensive Humanitarian Program
  - 1.3 Early Warning, Emer. Pre. and Field Management
  - 1.4 Pharmaceuticals, Vaccines Supply
  - 1.5 Armenia Crisis Response
  - 1.6 Multilateral Humanitarian Assistance
  - 1.7 Other Emergency Initiatives
  - 1.8 Humanitarian Transport - 632a Allocation - S/NIS/C
2. PD&S -- Technical Support
  - 2.1 Tech Spt, PD&S: EHA
  - 2.2 Tech Spt, PD&S: Non-EHA
3. Cross-Sectoral Pilots
  - 3.1 Econ. Development (IESC, Peace Corps, DOC?, Winrock?) [P.O. 1.3]
  - 3.2 Democracy -- Rule of Law (CDC? BHR? USIA?) [P.O. 2.2]
  - 3.3 Democracy -- NGO's (World Learning) [P.O. 2.4]
  - 3.4 Family Planning for CAR by Turkey (Futures Group) [SAA# 4]
  - 3.5 Donor Coordination (OECD, ICERC) [SAA# 4]
  - 3.6 Title VIII Area Studies (Dept. of State) [SAA# 4]
  - 3.7 Israel Arid Land Agr. [SAA #4]