

PD-ABM-087

96952

G/PO, G/Standard

MEMORANDUM

FROM: ANE/ASIA/PD, Barry MacDonald *B. MacDonald*

SUBJECT: Afghanistan Close-Out Plan

TO: See Distribution

DATE: February 15, 1994

Attached please find a copy of the final Action Memorandum to approve the programmatic and operational close-out plan for Afghanistan. Consensus was reached on an approach to the close-out at the ANE Bureau-chaired review of this plan. However, not all offices were represented at this meeting. For those offices not represented, a copy of the plan is attached. For all offices, please contact me if you are able to clear the plan and its associated attachments, and the final memorandum. If you have problems with any of this material, please contact me by e-mail (don't forget the first "a" in MacDonald), by fax (7-1805) or phone (7-5861).

If there are no major concerns, I propose that we proceed to clear the plan and the memo without another meeting. I'm sure you'd agree that if we can economize on meetings, we're all better off.

Your assistance will be much appreciated.

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~~2/13/94~~

DRAFT

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR/M, LARRY BYRNE -  
AGENCY CLOSE-OUT COORDINATOR

FROM: ANE/ASIA Close-Out Coordinator, Barry MacDonald

THROUGH: AA/ANE, Margaret Carpenter

SUBJECT: Afghanistan Close-Out: Combined Program and  
Operational Plan

DATE: February 7, 1994

**ACTION:** Your approval is required of the attached FY 94 close-out plan for Afghanistan, as modified by the decisions reached through the ANE Bureau-led review process, as described below.

**BACKGROUND:** The FY 94 close-out plan for Afghanistan builds on changes already approved by the ANE Bureau meaning that many of the older cross-border humanitarian projects in the Afghan portfolio were moving toward closure in FY 94 in any case. This has facilitated the Mission's ability to move to a close-out mode as called for in the Administrator's announcement of November 19, 1993. The ANE Bureau received the required close-out plan for Afghanistan in early January and engaged the Mission in an exchange to obtain additional information and clarification on a number of points. With this new material attached as an addendum to the plan, an ANE Bureau chaired review was held on January 27th with participation of the GC and PPC, M And G bureaus. Due to a distribution problem, a number of key offices in M were not in attendance. The plan has since been circulated separately for review by these offices. Issues from ANE and PPC were circulated and discussed at the ANE review meeting. The following material represents a consensus opinion of all those participating in the review process on the issues raised. Since there are no significant issues outstanding, we believe a formal M-level review meeting is not needed in this case and seek your approval of the plan and the decisions reached in the review process to date.

**DESCRIPTION:**

A. PROGRAM CLOSE-OUT

1. Schedule of portfolio close-out and continuing activities. Of the seven active projects in the Afghan portfolio, the Mission proposes to continue one of these, the Technical Services and Support Project (TSSP), through February 1996. The principal reason to hold this project open is to allow continuation of a demining grant to the U.N. Organization for Coordination of Humanitarian Assistance for Afghanistan (UNOCHA). The mine-dog program was begun under USAID auspices and is considered a vital humanitarian effort in support of the citizens of Afghanistan. It is also necessary to hold this project open to support grant actions, primarily through the United Nations, for the use of \$2

million of FY 94 ESF designated by State for use in Afghanistan. Actions are underway to close all other project activity in Afghanistan no later than September 30, 1994 with most projects and actions scheduled for termination by June 30, 1994.

The need to keep this project open was fully debated at the ANE review and a consensus reached that it is reasonable, but only for the purposes specified.

2. Use of FY 94 ESF. ANE zeroed out Afghanistan in the FY 94 budget. However, the State Dept. has, for foreign policy reasons, set aside \$2 million in ESF for continued U.S. support to Afghanistan. These funds will be used to support the Afghan expanded program of immunization (EPI) through a grant to UNICEF and additional work on demining through UNOCHA. The division of resources between these two potential uses has yet to be agreed upon by AID and State. A small portion of the ESF funds is being reserved to meet programmatic close-out costs.

At the ANE review, the necessity of programming these funds and the mechanics of how best to do this were discussed. The Mission proposes to program them for those activities which meet clear-cut humanitarian needs of the Afghan people and support some of its best development work in health. The grant mechanisms with the U.N. make the best sense on the ground and will be relatively quick disbursing. However, there is no doubt that these grants will require AID management support beyond the end of FY 94, creating another element to be monitored. It was the consensus of the review meeting that the actions noted above are the simplest, most practical and useful given the existence of the FY 94 ESF funding. It is also the consensus that USAID/Pakistan staff should continue all monitoring and management functions for all residual activities in the Afghan program through the end of the third quarter of FY 95. At that time, any remaining actions will be transferred to another ANE mission or to ANE/Washington. Our understanding is that generic guidelines on accountability under the close-out mode are being prepared by the IG/Washington.

3. Program funding. The Mission proposes to use existing funding in its Education and Health projects, as well as some of the FY 94 ESF, to support the printing of textbooks and the provision of vaccines and related equipment in order to provide as much support for these successful aspects of its portfolio as possible. It is the consensus that this is reasonable particularly in light of the humanitarian nature of the Afghan program. There are no requirements for additional program funding to support the Afghan close-out - the new FY 94 ESF funding aside. There are no current requirements for de-ob/re-ob actions. However, if a significant part of the FY ESF funds are not available for the purchase of EPI supplies, the Mission will seek authority for deob-reob from its Health project so that the EPI procurement action can go forward. According to the Mission's preliminary estimates, approximately \$9 million may be available for deobligation as the program closes.

This estimate will be much firmer by April 1994.

4. Evaluation. The Mission recommends that, in the short time available, it concentrate its energies on carefully preparing its project documentation for archival purposes and not engage in new project or program level evaluations. The ANE review supported this conclusion.

5. Local currency. With one exception, all local currency generations have been expended and associated accounts closed. The remaining account is in the hands of a US PVO, Mercy Corps International (MCI), working in the agricultural sector. Generation of proceeds are expected to be completed by April 1, 1994. The total amount available is expected to be approximately the equivalent of \$200,000 in Afghanis. The Mission is currently negotiating an agreement with MCI on the uses of the local currency and a record keeping and reporting process which will extend beyond the life of the close-out. PPC will provide any guidance it can to the Mission to simplify this process and minimize the future management burden.

6. Participant Training. The Mission reports one long-term participant whose program, due to emergency surgery, may extend beyond the close-out date. If this occurs, funding necessary to support this participant will be transferred to a Washington-based contractor working with OIT for management. The ANE meeting produced consensus that this course of action was reasonable. The details of the mechanics of the process must be worked out.

## **B. OPERATIONAL CLOSE-OUT**

The Afghan operation will not be the end of activity in Pakistan since the close-out of the Pakistan program is not scheduled for completion until FY 95. The advantage is that many staff functions such as financial and contract management needed to complete action on the Afghan close-out can be completed by staff remaining to support the Pakistan mission in its last year of operation.

1. Personnel. 3 USDH, 7 USPSC, and 17 FSNPSC are working exclusively on the Afghan program. The USDH staff will all depart and all the PSCs' work will terminate by September 30, 1994 according to the schedule laid out in the close-out plan. In the combined mission operation for Pakistan and Afghanistan, many USDH have held responsibilities related to both programs. There are another 18 USDH in the Pakistan/Afghanistan operation. Of these 18, 8 are scheduled for departure by the end of FY 94, leaving 10 USDH to complete the close-out of the Pakistan program and to complete administrative actions necessary for the close-out of the Afghan program.

2. Real Property. Leases on office space in Peshawar will be terminated by September 30, 1994. Office space in use for the Afghan program in Islamabad is an integral part of the complex

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leased by the Pakistan/Afghanistan mission and will be dealt with as part of the Pakistan program termination.

3. Non-expendable Property. OE assets were merged with those of the Pakistan program to form a single inventory, as approved by FA/OMS. Disposal of these assets will thus form part of the Pakistan close-out. The Mission anticipates the disposal of the bulk of its program funded assets through grants in aid to entities of the current Afghan government or international organizations and nonprofit organizations who are continuing their work in Afghanistan. The special notwithstanding authorities associated with the Afghan program have been invoked by AA/ANE for this purpose. Grants to entities of the Afghan Government require a waiver, now in process, of the Brooke Amendment and 620 (Q) of the FAA. If the waiver is not granted, then property located in Pakistan or which can be brought to Pakistan will be sold at auction. Without the waiver, it is expected that some property will not be recoverable from Afghanistan and, lacking any available donor or government entity eligible to receive it, will have to be written off. Some new program funded property will remain after these actions are completed. The Mission will consult with concerned USAID/Washington offices on the possible transfer of this property once the specifics on inventory are available.

4. Procurement and Supply. The Mission has maintained strict control over new procurement actions since the close-out was invoked. As detailed in the close-out plan, and noted earlier in this memo, the Mission proposes to print significant numbers of textbooks already developed under the Education Sector Support Project and to engage UNICEF in a grant arrangement focused on the procurement of EPI vaccines and equipment.

5. Financial, Contracts and Administrative Management. As noted above, these services can continue to be provided by the remaining staff of the Pakistan mission through June 1995. Given the termination of most Afghan activities by June 30, 1994, this arrangement assures that the great majority of needed actions can be completed by the field post. Any residual actions, beyond June 1995, will be handled either through transfer to USAID/Washington or to another mission in the ANE region for continuing follow-up.

6. Records Management. The close-out plan calls for close attention by the Mission to completing and organizing documentation for the program. The materials will be transferred to the appropriate offices in Washington for processing and safeguarding. Any residual archival actions can be handled by the remaining Pakistan Mission staff. Contacts are already being made between CDIE and the Mission to assure the integrity of this process.

**RECOMMENDATION:** It is recommended that you approve the combined program and operational close-out plan for the Afghanistan Mission, subject to the modifications and agreements made as discussed in this memorandum and as detailed in the attached documentation.

Approved: \_\_\_\_\_

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

Date: \_\_\_\_\_

Drafted: ANE/ASIA/DR/PD, BMacDonald, 02/09/94, CLOSEMEM.AFG

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## CLOSE-OUT PLAN FOR AFGHANISTAN

### I. EXECUTIVE SUMMARY

USAID/Afghanistan is closing June 30, 1994. All projects, contracts and cooperative agreements will terminate on or before that date. (One project -- TSSP), 306-0200 -- will continue until February 24, 1996, as a \$3.6 million grant to the United Nations is expended.)

Pursuant to USAID/General Notice A/USAID, dated 11/19/1993, the U.S. Government announced its intention to terminate its Cross-Border Humanitarian Assistance Program (CBHA) to the people of Afghanistan by June 30, 1994. The USAID and Embassy are awaiting Washington instructions to formally advise Afghan authorities of the decision to terminate assistance and close down the Afghan side of the USAID Mission for Pakistan and Afghanistan by September 30, 1994.

This Close-out Plan for the orderly termination of USAID-funded activities inside Afghanistan, takes into account the following concerns: (A) the need for an orderly termination of all Afghan program activities within the Mission, with one exception, by September 30, 1994; (B) the continued funding and expenditures for one activity to its PACD in February 1996; and (C) specific recommendations to sustain selected, high-priority activities. This plan recommends the expenditures of most of the previously obligated funds between now and September 30, 1994, except one (pp.12-13), to complete the orderly close-out of all project assistance activities. The Mission has been allocated \$2 million in ESF for FY 1994 and will undertake to meet all major close-out requirements through existing obligations.

While projects and activities are in the process of being closed out the USAID Mission for Pakistan and Afghanistan will eliminate all USDH positions relating to the implementation of the Afghan portfolio by September 30, 1994. The \$3.6 million grant to UNOCHA in support of the Mine-Detection Dog Center terminates on February 24, 1996.

## II. BACKGROUND

### A. PROGRAM BACKGROUND AND STRUCTURE

The Cross-Border Humanitarian Assistance Program for War-Affected Afghans was initiated at Congressional direction in 1985 to provide humanitarian assistance to the people of Afghanistan. Responding to the devastation brought about by the Soviet occupation and many years of war, the program enjoyed strong Administration and bipartisan Congressional support, as evidenced by its early exponential growth. Funding increased from an initial \$8 million in Fiscal Year (FY) 1985 to \$121 million in FY 1989 (including PL-480 wheat). After 1989 program funding levels dropped to \$70 million in 1990, \$60 million in 1991 and \$50 million in 1992. The FY 1993 funding level was subsequently cut 60% to \$20 million; FY 1994 funding is \$2.0 million (ESF) only. The program is administered by the U.S. Agency for International Development's USAID Mission for Pakistan and Afghanistan. The program uses funding from three main sources: (1) A.I.D. economic assistance funds -- both Development Assistance (DA) and Economic Support Funds (ESF); (2) P.L. 480 Title II agricultural commodities grants to WFP; and (3) Department of Defense Afghan Humanitarian Relief which supplies excess non-lethal commodities and transportation/logistics funds. The program is distinct from the A.I.D. program for Pakistan and from the U.S. Government's program for humanitarian assistance to refugees in Pakistan, which is the responsibility of the Department of State.

The Cross-Border Humanitarian Assistance Program for War-Affected Afghans has focused its efforts primarily on the health, education and agriculture, plus relief assistance and rural reconstruction. The United States Government has been the lead bilateral donor of humanitarian assistance in Afghanistan. The Government of Pakistan has also contributed significantly to the program's success through its cooperation, administration, and logistic support. Actual implementation of the program is conducted by U.S. contractors and private voluntary organizations (PVOs) in cooperation with Afghans. Working with the professional committees of the Afghan resistance, the program initially helped create and develop viable Afghan bodies for health and education as well as effective mechanisms for the delivery of food and other commodities. Strengthening indigenous Afghan capabilities is important for the long-term objective of reestablishing an independent and self-governing Afghanistan.

Much has been accomplished during the course of the cross-border humanitarian assistance program. Through FY 1993 almost \$460 million has been committed (\$421 million expended) for delivery of agriculture, health and education sector goods and services, as well as food and reconstruction activities. These amounts include \$83.6 million in PL 480 Title II resources and \$42 million in DOD contributions. As of September 30, 1993 the Afghanistan program had a modest pipeline of \$38.8 million, most of which will be expended in an orderly close-out of the program.

The U.S. has been particularly interested in ensuring that conditions inside Afghanistan are secure and free from mines and that the existing and returning populations will be able to sustain themselves and begin the enormous task of rebuilding a nation. This task is so great that no single donor nation can provide the resources required. The

need for this extraordinary level of assistance and cooperation requires and international effort led by United Nations agencies, as well as other bilateral donor resources.

**B. RECENT POLITICAL DEVELOPMENTS AND THE MAINTENANCE OF LAW AND ORDER**

In April 1992, the Kabul-based communist regime of Najibullah collapsed and the mujahideen (holy warriors) took over the affairs of state. Since that time Kabul -- and other locations -- have experienced ongoing battles and skirmishes in a civil war among contending political factions. In March 1993 leaders of the nine major political groups met in Pakistan and agreed, under the terms of the "Islamabad Accords", to participate in a transitional grand coalition until election could be held. Fighting among various groups continued, however, and in May 1993 the factional leaders met again, this time inside Afghanistan, to sign the "Jalalabad Accords", which spelled out how the transition was to be implemented. These accords have not been fully met and despite the drafting of an interim set of constitutional principles and in conclusive discussions about elections, intermittent fighting in various locations and a general political stalemate in Kabul continue.

In this volatile and tense political and security environment, human rights are routinely violated on a large scale. The country has no constitution, national judicial system, or effective central government. Throughout most of the country there is a continued absence of law and order. While conditions approaching near-normality have at times returned to parts of the North, Central and Western regions, Kabul and its surrounding areas have been wracked by intermittent heavy fighting interspersed with continuing low-level small arms exchanges and sniper fire. Forces loyal to various factions represented in the coalition government have rocketed, bombed and shelled the capital and surrounding areas in battles that have left an estimated 18,000 people, mostly civilians, dead or wounded and have caused an exodus of a hundred thousand or more inhabitants of the city to safer areas elsewhere.

The rule of law has broken down in most of Afghanistan. Justice is administered locally without reference to any clear legal system. Traditional laws and punishments are often invoked in the absence of a functioning judicial system. These punishments often involve capital punishment -- variously meted out -- and include the amputation of limbs for those convicted of theft. Little is known about legal protections under current conditions and no uniform procedures exist for taking persons into custody and bringing them to trial. With the widespread breakdown of the judicial system, little is known about the administration of justice, although some municipalities and provincial authorities are known to have held public trials.

Various leaders of the national political parties strongly back the imposition of shari'a, or islamic law, and it appears that many local and provincial legal procedures are based on islamic judicial precepts. Traditional tribal procedures also play a prominent role in the judicial process in some parts of Afghanistan. In many cases, these procedures constitute denial of a fair public trial by international standards.

In September 1993 Interim President Rabbani appointed a 14-member commission to draft an interim constitution. This document was rejected by the two shia parties and other leaders, who objected to its contents on religious grounds or viewed the process itself as illegitimate. Prime Minister Hekmatyar and others have pressed for early national elections to overcome the political stalemate, but political in-fighting has thus far prevented progress on this issue as well.

#### **C. THE STATUS AND WELFARE OF WOMEN AND CHILDREN**

The participation of women in activities beyond the home and fields is limited by long-standing customs and religious beliefs. The communist government officially sanctioned a wider public role for women during the period 1978-1992, and their status improved as they began to move, particularly in urban areas, into non-traditional occupations. However, the mujahideen victory over the communists in 1992 prompted a return to more restricted traditional roles for women, circumscribed to the home or to all-female environments such as teaching in girls schools or working in female health clinics.

In the absence of an effective central authority in Kabul, it is not possible to assess the government's commitment to the welfare of women, children, the elderly, minorities and the disabled. The factions are too busy fighting each other.

#### **D. NARCOTICS**

Afghanistan, with poppy cultivation in 14 of its 30 provinces is second in the world only to Burma in potential opium production. Two provinces, Nangarhar and Helmand, traditionally have accounted for over 75 percent of the country's total. Persistent factional fighting and political instability, including at the regional level in some cases, have prevented any serious anti-narcotics achievements in Afghanistan to date. Continued economic disruption throughout most of the country also plays a role in encouraging farmers and returning refugees to take up opium cultivation as a cash crop. Afghan leaders have, however, clearly received the message that narcotics control is a major concern of the international community, and that failure to take adequate measures to stem narcotics production and trafficking will seriously impede reconstruction assistance from aid donors.

#### **E. THE CRITICAL JUNCTURE**

The donor community is increasingly concerned by the government's failure to address its problems, especially these of reconstruction and rehabilitation, as well as urgent and high-priority social needs (such as primary education and literacy -- especially for girls --, and primary health care, including maternal and child health (MCH) and immunization against preventable diseases). Several donors have scaled back their donations for Afghanistan to the United Nations Consolidated Inter-Agency Appeals for Humanitarian Assistance for Afghanistan.

This close-out plan comes at a time when the USAID Mission for Pakistan and Afghanistan was at the juncture of phasing-out its on-going Cross-border Humanitarian Assistance Program and initiating a new, more development-oriented assistance effort. In 1992, the Mission began to move toward a greater focus of its assistance program and a consolidation of its project portfolio. In March 1993 a new program strategy document, approved by the Asia Bureau, called for more focused initiatives in increased primary school enrollment, especially for girls, and improved (and ultimately expanded) programs of immunization and maternal and child health to combat excessively high mortality rates. As a parallel effort, the Mission undertook to rapidly phase-out its humanitarian assistance program, which showed little potential for sustainability.

The Mission's goal has been to improve the quality of life of Afghans, as measured by basic social and physical indicators. A working assumption was that progress would be made toward a political/military settlement sometime during the 1994/95 period.

The Mission's new strategic objectives for FY 94 and FY 95 were determined by means of a two-day "jirga"; subsequent refinement of themes was carried out by Mission working groups, assisted by selected outside expertise. The objectives were to:

- Reduce infant and child mortality; and
- Increase primary school enrollment for boys and girls;

Women and girls were an important element of this strategy, fully participating in each sectoral activity, because their potential contribution to the society and the economy have not historically been systemized. In order for the development equation in Afghanistan to be changed, and for real progress to be made, women and girls must be dynamic participants. This message had not been heard in the past. Without informed health interventions, for example, by women on behalf of their children and themselves, infant, child and maternal mortality will not be reduced. Illiteracy dramatically reduces women's abilities to lower fertility; and lack of education hinders their full productive contribution to household economies. Efforts to improve the rural environment will fail without the full involvement of women whose reliance on natural resources for household needs is extensive.

Reducing production of and trafficking in narcotics, although critically important from a number of different perspectives, was not a strategic objective for the Mission at this time. It proposed to leave such activities as are appropriate to State's NIM and Justice's DEA for the moment. However, it proposed to address anti-narcotics and drug awareness issues through the program interventions proposed in the strategy, in the health and education sectors.

During 1992 more than one million refugees returned to Afghanistan from Pakistan alone. Many more were expected to return during 1993 and the strategy period. Transitional program activities in support of their resettlement and initial rehabilitation were to continue, including support for demining activities in areas of high refugee returns.

During the transition period, existing activities in health, and education were being refocussed toward these objectives wherever possible, while activities already focussed were strengthened. Activities not directly supportive of the objectives were to be fully terminated by the end of FY94 or earlier (all but three of the currently active projects have PACDs during FY 1994). New project interventions to reflect the revised strategic objectives would commence in either FY 1994 or FY 1995, as appropriate.

The strategic objectives were national in scope, but interventions were to be regional or national, as reality dictated. Until a stable, functioning government emerged in Kabul and the security situation measurably improved, the program would continue to be implemented on a cross-border basis from Pakistan, through contractors and grantees with access to the country.

The Mission was given the go-ahead to develop (design/redesign) two appropriate activities in health and primary education. For the health project a PID was finalized and submitted to Washington while for the education project a Concept Paper had been submitted to Washington and work was ongoing on the PID when the Mission was informed that the Afghanistan program would be closed out in FY 1994.

### III. PROJECT AND PROGRAM ANALYSIS

This Close-out Plan provides for the orderly termination of assistance. Since the Cross-Border Humanitarian Assistance Program has been focussed on emergency relief, rehabilitation, the provision of basic health and education services, the issue of assuring that "useful units of assistance" are left behind is not as important as it is in the Pakistan program under its Pressler Amendment - mandated phase-out. All but one projects have PACDs of June 30, 1994. One project, Technical Services and Support Project (TSSP) will continue through February, 1996 because it contains a \$3.6 million grant to the U.N. in support of demining activities. This activity will ultimately be overseen by USAID/Washington. Except for TSSP, all contractual, cooperative agreements and grant activities will terminate on or before June 30, 1994.

The following tables (A & B) contain information on project PACDs and existing contracts and cooperative agreements (not including PSCs).

Table A

**USAID MISSION FOR PAKISTAN AND AFGHANISTAN  
AFGHANISTAN PACDS BY FISCAL YEAR AND BY OFFICE**

PROJ. #	TITLE	OFFICE	FY91	FY92	FY93	FY94	FY95	FY96	FY97
306-0200	TSSP	PROGRAM						02/24/96*	
306-0201	PVO	AFO		03/18/92					
306-0202	ESSP	AFO				06/30/94			
303-0203	HSSP	AFO				06/30/94			
303-0204	ASSP	AFO				06/30/94			
306-0205	CEP	AFO				06/30/94			
306-0206	AHR	AFO			12/31/92				
306-0208	RAP	AFO		05/23/92					
306-0210	NACP	AFO			06/12/93				
306-0211	PSP	AFO				06/30/94			
306-0212	HRD	AFO				06/30/94			

\* To be managed by USAID/Washington after 06/95

TABLE B

PROJECT	START DATE	CURRENT PACD	CONTRACTS COOP. AGR	CONTRACT COMPLETION DATE	REMARKS
306-0200--TSSP	02/25/86	02/24/96	PSCs	06/30/94 (PSCs)	One active grant to UN through 2/24/96. No Mission support needed.
306-0202--ESSP	08/16/86	06/30/94	UNO	04/30/94	Contract
306-0203--HSSP	03/9/86	06/30/94	MSH	04/30/94	Cooperative Agreement
306-0204--ASSP	06/1/87	06/30/94	VITA	12/31/93	Cooperative Agreement
306-0205--CEP	07/11/86	06/30/94	RONCO CCSC NATHAN	02/28/94 03/31/94 12/31/93	Contract Contract Contract
306-0206--AHR *	1987	N/A	RONCO	02/28/94	Contract
306-0211--PVO Support	05/16/90	06/30/94	IRC/RAP IRC/PVO Mgmt IRC/Agr. IRC/Female Ed. CARE MCI/Agr. MCI/Health IMC TAF/DPI	12/31/93 12/31/93 04/30/94 04/30/94 10/31/93 04/30/94 12/31/93 02/28/94 04/30/94	Cooperative Agreement Cooperative Agreement Cooperative Agreement Cooperative Agreement Cooperative Agreement Cooperative Agreement Cooperative Agreement Cooperative Agreement Cooperative Agreement
306-02120-HRD	12/31/91	6/30/94	AED	04/30/94	Contract

\* DOD-Funded

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There are no centrally funded activities which extend beyond June 30, 1994. All bilateral PL-480 Title II activities are completed. One disaster activity (locusts - \$25,000) involves a grant to UNOCHA; this grant was made in September 1993 and expired in December, 1993. There are no international or regional projects.

The Mission has determined that the project activities listed below can be terminated no later than June 30, 1994. Revisions of PACD, have been made as indicated below. Participants funded under the Human Resource Development (HRD) project are expected to have completed their studies by the end of AED's contract termination date of April 30, 1994. In the unlikely event that one or two have not completed their programs, they will be transferred to a centrally funded activity such as PIET and appropriate funds transferred for their support.

All close-out requirements will be met out of existing funds in contracts, cooperative agreements and grants. The following activities will be closed by June 30, 1994:

### Health

#### A. Health Sector Objectives

The Mission's major objective in the health sector is to contribute to a multi-donor effort to develop a financially sustainable, effective, basic health care system to provide preventive and curative services, primarily through EPI and MCH.

#### B. Strategy for Close-Out

The USAID-built health system is the national health service. The overall objective for the close-out of these activities is to leave behind a core of MCH and EPI activities which effectively reduce infant and child mortality and are financially sustainable by the beneficiaries. We plan to leave behind a 2 - 3 years supply of dry vaccines and PHC supplies. The mechanism is the subject of septels.

### Education

#### A. Education Sector Objectives

ESSP (306-0202): The Mission's major objective in the education sector is to leave behind a primary school curriculum and 1-8 grade textbooks based thereon, a core of in-service trained teachers, and a set of grade 9-12 textbooks to (essentially urban) secondary schools.

HRD (306-0212): To improve the availability of skilled technicians through the provision of basic trade skills and in-country engineering training; and international participant training.

**B. Strategy for Close-out**

The USAID-built primary education system is the national system in terms of curriculum. Both the UNO and the AED contracts will close-out prematurely. AED's has been negotiated; UNO's has not yet. We plan to leave behind a 2-3 years supply of textbooks. Participant training should be completed by AED contract close-out; returnees are expected to work for Afghan organizations and PVO/NGOs in support of rehabilitation of the country.

**Agriculture**

**A. Agriculture Sector Objectives**

The Mission's main objective in this sector has been to increase agricultural productivity -- especially food crops --, revitalize Afghanistan's farm sector, and to repair/rebuild key rural infrastructure directly linked with increased productivity and marketing.

**B. Strategy for Close-out**

The Private Sector Agribusiness component, concerned with increased agricultural productivity through extension of the marketing of improved wheat seed and DAP fertilizer, closed out in early CY 1993. The remaining rural rehabilitation component was already scheduled for an orderly close-out on December 31, 1993, (vice April 30, 1994). Remaining stocks of wheat seed and fertilizer have recently been disposed-of, and rural reconstruction equipment has been given to international organizations and PVOs/NGOs engaged in similar work in the immediate areas of operation inside Afghanistan.

**Commodities, Construction and Mine-detection**

The CEP project has three components: Procurement and Logistics; Road Construction and the Mine-Detection Dog Program

**A. Procurement and Logistic Objectives**

The Mission's main objective has been to provide food, clothing, shelter and other humanitarian assistance to Afghans inside Afghanistan (as opposed to those in refugee camps abroad), to help with demining, and improved understanding of conditions inside the country, effectively "off limits" to U.S. Government or U.S. Government-funded personnel.

**B. Construction Objectives**

To repair roads and bridges vital to the flow of commodities to target populations and to support large refugee return movements.

C. Mine-detection Objectives

Afghanistan has between 10-30 million unexploded mines. Objectives are: (1) Successful operation of the Mine-Detection Dog Center (Pabbi and Quetta) and deployment of dog teams and handlers in support of demining operations. (The selection of priority areas of demining is linked primarily to the return of refugees and; (2) turn the Mine-Detection Dog Center into an NGO and assure its continued successful operation under UN auspices.

D. Strategy for Close-out

Procurement operations ceased in mid - CY 1993 in anticipation of an early close-out of the humanitarian assistance portfolio. Commodities warehoused are being auctioned or reserved for donation to qualified international organizations and PVOs operating inside Afghanistan. Similarly, road and bridge construction work undertaken by the Afghan Construction and Logistics Unit (ACLU) ended in June 1993. Efforts are underway to privatize the ACLU so it can become a viable entity, contracting independently for reconstruction work. The Mine-Detection Dog Center is scheduled to become a registered PVO, to operate in support of UN-coordinated demining operations. The Mission made a \$3.6 million grant in September 1993 (from TSSP) to UNOCHA for two years' operating costs of the MDC, January, 1994 - February, 1996.

PVOs

A. Objectives

To selectively fund PVO activities in support of sector objectives as well as in democratic pluralism and female literacy.

B. Strategy for Close-out

Major cooperative agreement grantees (IRC, CARE) have successfully obtained European Union support for their on-going activities. Grant-financed equipment will continue to be used by these organizations. Other activities were already scheduled for an orderly phase-out prior to June 30, 1994 program close-out date.

Program Support

A. Objectives

To provide technical services and logistical support to overall program design and implementation.

B. Strategy for Close-out

Personal Service Contracts will terminate on or before June 30, 1994. The Peshawar Annex will cease operations on or before September 30, 1994. A grant to the UN in support of the Mine-Detection Dog Center will continue through February 24, 1996. This grant and its activities are self-contained and solely managed by the UN; they do not require Mission support.

AFGHANISTAN  
PROJECT DESCRIPTIONS

TECHNICAL SERVICES AND SUPPORT PROJECT (306-0200) (TSSP)

Authorized on: 2/25/86  
Current PACD: 2/24/96  
Authorized funding: \$16.0 million  
Total obligations  
through FY 93: \$11.6 million

**Purpose:** To assist in the design and implementation of the cross border humanitarian assistance program for Afghanistan.

**Project Description:** Project-supported activities are organized in four categories: technical assistance, logistic support, grants, and monitoring and data collection. A fifth category, evaluations and studies, has been suspended due to recent funding cuts. The technical assistance category covers the procurement of short-term and long-term professional and administrative support staff needed to implement AID Afghanistan projects. Logistics support has included operation of USAID Program Offices in Islamabad, Quetta and Peshawar, covering the facility rental, utilities, as well as equipment and supply costs.

In 1988, an independent USAID monitoring unit, (the Data Collection and Analysis Unit), financed through TSSP, was established. The unit is designed to meet the Mission's basic program implementation information requirements. Managed by a USPSC, it has employed teams of Afghan data collectors who make periodic trips inside of Afghanistan to update the data base and verify presence of program-funded facilities and services.

**Determination:** The TSSP has been a useful mechanism for providing a range of essential technical, logistics, data collection, monitoring, and design/implementation support to the entire Afghan portfolio. TSSP was recently tapped as a funding vehicle for a grant to UNOCHA through which operational support will be channeled to the Mine-Detection Dog Center through February, 1996. The period of the grant to UNOCHA will extend beyond the anticipated date of closure of the Mission; as the grant and its activities are self-contained and solely managed by the UN, they do not require Mission support. Responsibility for oversight and monitoring of the grant will be transferred to USAID/W. The Mission proposes to use this project for proposed grants in FY 1994 to the UN in support of high-priority activities inside Afghanistan in the fields of health, education and demining.

The activities of the Data Collection and Analysis Unit will be scaled back and eventually closed out by June 30, 1994 as the program activities which it monitors are phased out.

The level of PSCs will be reduced through staff reduction as project activities are scaled back; however, one or two PSC staff may be retained until September 30, 1994 to assist in necessary program close-out work.

**EDUCATION SECTOR SUPPORT PROJECT (306-0202) (ESSP)**

Authorized on: 8/8/86  
Current PACD: 06/30/94  
Authorized funding: \$49.2 million  
Total obligations  
through FY 93: \$45.0 million

**Purpose:** To strengthen the primary education network of Afghanistan through the improvement of curriculum, text books and instructional materials, and teacher training; and administrative capabilities in planning, budgeting and policy development.

**Project Description:** Originally, ESSP focused on establishing primary education services inside Afghanistan through salary support and training for teachers and requisite instructional materials. It also included adult literacy and participant training. To date, over 1,000 primary schools have been established in Afghanistan, and almost 12 million primary school textbooks and other instructional materials have been distributed inside Afghanistan and in refugee camps. In 1989, a Manpower Training Program component was added to the project to provide training in trade and office skills (now a stand-alone activity). By September 1993, over 1500 Afghans had graduated from these programs and over 40,000 had graduated from literacy programs. Training opportunities in the U.S. were provided for Afghan undergraduate and graduate students.

ESSP emphasis is now on improving the quality of primary education services and accessibility, particularly for females and underserved groups, and on increasing community support for schools. A limited number of textbooks and instructional materials continues to be provided to girls' schools in refugee camps in Pakistan.

**Determination:** Since the fall of the Najibullah regime in April 1992, ESSP has responded to the phenomenal demand for textbooks by greatly increasing the number of textbooks distributed. Many have been sent for the first time into urban areas previously inaccessible because of the Soviet occupation. All 54 textbooks developed under the project have been formally accepted by the Ministry of Education of the Government of Afghanistan as the standard texts for all Afghan primary schools.

The number of female students enrolled in schools receiving project textbooks has more than tripled over the past year. Also, in the last six months, female teacher training has been conducted inside Afghanistan for the first time since project inception. Three

regional education centers have been established inside Afghanistan from which training will be conducted. Payment of teacher salaries, an important step toward sustainability, was eliminated in June 1993.

The UNO contract, scheduled to terminate on April 30, 1995 will now end on June 30, 1994. This will probably involve unanticipated costs due to early contract termination.

**HEALTH SECTOR SUPPORT PROJECT (306-0203) (HSSP)**

Authorized on: 8/8/86  
Current PACD: 6/30/94  
Authorized funding: \$65 million  
Total obligations  
through FY 93: \$57.0 million

**Purpose:** To develop and institutionalize effective health care delivery systems and to provide Afghans with basic health care.

**Project Description:** HSSP is the centerpiece of the health portfolio as well as the principal source of health data for planning and provision of medical supplies and equipment for Afghan and PVO health facilities serving war-affected Afghans. The project has supported over 1,300 health posts and more than 230 clinics and small hospitals. More than 2,500 health workers were also supported through FY 1992.

In 1992, the project was redesigned to emphasize: 1) preventive care, with emphasis on services to women and children; 2) improved quality and service provided by male health workers; 3) standardization of and coordination between entities providing health services to Afghans; 4) location of training and administration inside Afghanistan; 5) reduction of recurrent costs associated with the support of health delivery; and 6) a redundancy analysis of existing health facilities. Pursuant to the new strategy for Afghanistan, the project has begun to direct some assistance to urban areas.

**Determination:** The direction of the HSSP has changed course over the life of the project. Its initial emphasis was on curative care for the war-affected. The focus has shifted toward preventive care with emphasis on maternal/child health and immunization. All of the project health facilities are operated under the administrative purview of indigenous Afghan entities. Recent measures adopted to enhance sustainability, such as fee-for-service treatment, will enable many of the health facilities to continue to operate after termination of the project.

AGRICULTURE SECTOR SUPPORT PROJECT (306-0204) (ASSP)

Authorized on: 3/19/87  
Current PACD: 6/30/94  
Authorized funding: \$74 million  
Total obligations  
through FY 93: \$63.6 million

**Purpose:** To increase agricultural productivity and to revitalize Afghanistan's farm sector.

**Project Description:** Originally focused on the rehabilitation of agriculture-related infrastructure, the project was later amended and expanded to support development of private sector agribusiness, extension services, and increased cross border trade.

Through the rehabilitation component, over 3,000 small irrigation systems providing water for approximately 400,000 acres have been rehabilitated. Activities in the private sector component included the sale of wheat seed and fertilizer to Afghan traders for resale in Afghanistan; the establishment of agriculture extension and training facilities to extend new technologies; and the development of a Geographic Information System, using satellite remote sensing data and computer modeling together with ground truthing to forecast crop production and food needs.

Program cuts in FY 1993 precipitated the early phase-out of project activities.

**Determination:** The accomplishments of the ASSP in contributing to the restoration of agricultural capacity in Afghanistan have been significant. In the last six months, some 6,000 MT of DAP fertilizer and 900 MT of improved wheat seed procured under the ASSP have been distributed to farmers in time for the autumn planting season.

All ASSP field activity ceased at the end of October and the project is being closed out six months ahead of the June 30, 1994 PACD, in accordance with an approved phase-out plan. Disposition of equipment is underway. Difficulties in repatriating equipment to Pakistan led to the decision to granting equipment to NGOs or international organizations working in areas where the equipment is located inside Afghanistan.

COMMODITY EXPORT PROGRAM (306-0205) (CEP)

Authorized on: 8/8/86  
Current PACD: 6/30/94  
Authorized funding: \$109 million  
Total obligations  
through FY 93: \$95.2 million

**Purpose:** To provide food, clothing and other humanitarian

assistance to Afghans inside of Afghanistan, to construct roads and bridges critical to food supply and refugee returns, and improve understanding of conditions inside the country.

**Project Description:** The project has four components: procurement and logistics; the mine detection dog program; a studies component; and the restoration of transportation infrastructure. The studies component was phased out on December 31, 1993, because of funding cuts.

The procurement component includes the procurement, storage, accounting and monitoring of a wide range of equipment and services for 10 USG-funded organizations providing assistance to the Afghan people. The mine dog program provides especially trained dogs and handlers, who work in conjunction with UN-funded Afghan demining organizations in clearing roads and fields. The transportation infrastructure component focuses on major road and bridge repairs to expedite the flow of goods and the return of refugees. Because of program cuts in FY 92, the latter component phased out on September 30, 1993.

**Determination:** The CEP will leave behind much of value which will continue to contribute to the reconstruction of Afghanistan. The MDC demining organization has been groomed to operate as an independent NGO under UNOCHA auspices. In order to increase the ongoing visibility of the MDC, bridge-funding of \$3.6 million is being provided through a grant to UNOCHA to support MDC's operations through February 1996.

Through the grant by USAID to the Afghan Construction and Logistic Unit (ACLU) of essential construction equipment, combined with intensive training efforts, the ACLU will also be left in a good position to operate as an independent road construction firm inside Afghanistan. The Afghan Road Condition Survey conducted by the ACLU was completed by 3/31/93. The survey will be a useful tool for others involved in future road reconstruction efforts in Afghanistan.

The CEP has successfully handled the logistical and procurement requirements of the entire Afghan project portfolio since 1986. The current procurement and logistics contractor, RONCO, is in the final stages of handing over residual equipment to EXO and negotiations are underway to transfer logistic support for the DOD excess commodities program (McCollum Program) responsibilities to the Refugee Office of the State Department.

AFGHAN HUMANITARIAN RELIEF PROJECT (306-0206) (MCCOLLUM PROGRAM)

Authorized on: 3/86  
Current PACD: N/A  
Authorized funding: N/A  
Total obligations  
through FY 93: \$11.4 million

**Project Description:** The McCollum Program is a Department of Defense (DOD)-funded project implemented by USAID to transport non-lethal, excess property to Pakistan for use by contractors, PVOs, and Afghan NGOs carrying out assistance programs for war-affected Afghans. The project also evacuated Afghan patients requiring medical treatment to the U.S. and other Western countries. DOD funds transferred to USAID have been used to finance the transportation administration and logistics associated with the distribution of the excess equipment and supplies, and costs related to the placement of patients.

Over 110 flights have transported more than 5,000 metric tons of goods (primarily clothing, medical supplies and vehicles). Over 1,000 injured Afghan men, women and children have benefitted from pro bono medical treatment. Recently a number of surface shipments, including heavy equipment, have been made through the port of Karachi; USAF flights were discontinued as of August, 1993. Further shipments will be surface shipments. Because of difficulties in identifying patients with a genuine need for treatment abroad and improved local treatment facilities, support for the patient program was discontinued in 1992.

**Determination:** Due to staffing constraints caused by budget cuts the USAID Mission determined in 1993 that it could no longer administer and be accountable for the AHR/McCollum program in 1994. As indicated above, we are currently exploring alternative options for oversight by the Refugee Programs office of the State Department.

PVO SUPPORT PROJECT (306-0211) (PSP)

Authorized on: 5/16/90  
Current PACD: 6/30/94  
Authorized funding: \$37 million  
Total obligations  
through FY 93: \$31.1 million

**Purpose:** To assist cross-border and refugee assistance programs developed and managed by U.S. PVOs.

**Project Description:** Through this project, health services, agricultural extension, rural rehabilitation, female literacy and skills training, publications and seminars to promote democratic pluralism have been supported. Some PVO programs provide subgrants to support the work of Afghan non-governmental organizations, while others are implemented directly by the PVOs working with village councils.

**Determination:** The PVO Support Project has served as a flexible mechanism for the provision of support to NGOs engaged in a diverse range of worthwhile assistance efforts, from female literacy and journalism courses to health and agriculture projects. The fact that the EU has committed follow-on funding for some of the

activities conducted by CARE and IRC is testimony to the high caliber contributions made by these grantees to the Afghan assistance effort. Initiatives undertaken by project personnel to enhance sustainability have born fruit in that many of the clinics run by MCI and IMC have been privatized or will continue operation under the purview of indigenous Afghan health administrations. The activities supported under the PVO support project will be phased out well ahead of the June 1994, PACD.

HUMAN RESOURCE DEVELOPMENT (306-0212) (HRD)

Authorized on: 12/18/91  
Current PACD: 6/30/94  
Authorized funding: \$34 million  
Total obligations  
through FY 93: \$4 million

**Purpose:** To improve human resource development in Afghanistan, through the provision of basic trade and office skills training; in-country engineering training; and international participant training.

**Project Description:** HRD was developed to provide a focused approach to USAID-financed training and to ensure that the emerging needs for training and skills upgrading of Afghan men and women are appropriately addressed, as political stability in the country is achieved. Due to program funding cuts, project activities have been curtailed, including office skills training and training for Afghan NGOs. Afghan participants currently studying in the U.S. will be able to complete their degrees, but no new participants will be sponsored at this time.

**Determination:** Close-out of the project is proceeding as planned with a scheduled termination date of April 30, 1994. In the last months of the project, the contractor will focus on efforts to find follow-on sources of funding for the CRTA and BTS components of the project. The possibility that the BTS center in Ghazni can continue on a self-sustaining basis is promising; however, it is unlikely that the Peshawar BTS operation could be sustained on fees alone. If the contractor cannot locate an alternate source of funding for the CRTA in the near future, the current training cycle will be cut short in order to permit timely close-out of contractor and subcontractor activities.

#### IV. LOCAL CURRENCY

There are no host country-owned local currencies since this is not a bilateral program. Local currency was generated from the sale of grantee-owned agricultural inputs, from a pilot activity to commercially market 10,000 MT of PL-480, Title II wheat, a limited quantity of butter oil, and from the sale of containers. The butter oil remained unsold and was eventually donated to PVOs. Proceeds from the sale of agricultural inputs, procured with grant or cooperative agreement funds, were deposited in the local currency accounts of several US PVOs working in the agricultural sector and used to support agreed-upon program objectives. All but one of these local currency accounts will be fully expended before the end of the program. But, due to the early termination of the program, this account and the activities it supports is expected to continue beyond. Sales proceeds from PL-480 wheat were placed in a special account, jointly programmed by USAID and the Chief Commissioner for Afghan Refugees of the GOP, and were expended to

defray surface transport charges, and in support of CARE's Afghan Village Assistance program. CARE used the PL-480 Title II commodities for its food-for-work activities. Local currency sales proceeds of containers were programmed for local currency expenses of CARE's program. These funds have all been expended.

## V. PARTICIPANT TRAINING

**BACKGROUND:** USAID/Afghanistan is currently sponsoring only two remaining academic participants through the Weber Scholarship Program. The Academy for Education Development (AED) (306-0212), the technical assistance contractor for the Human Resources Development Project (HRDP), funds and monitors the participants' undergraduate and Masters degree training in the US. Current schedule projects scholars to complete degree programs and return prior to April 30, 1994, the contract close-out date of the AED contract.

**Strategy for Close-out:** The Mission's participant training strategy in this plan is to continue financing active long-term academic participants who are now enrolled in coursework toward their degrees. Participants have been advised that extension requests beyond their currently scheduled completion dates will not be favorably received except in the most unusual of circumstances and will definitely not be considered beyond April 30, 1994:

However, it should be mentioned that there does exist the possibility of one exception. A Master's degree scholar with approximately five full weeks of work remaining to complete and defend his thesis recently underwent emergency back surgery. The amount of time required to fully recover from the surgery cannot be predicted at this time. Should it be necessary, this case will be transferred to PIET, a centrally funded USAID project, at the termination of the AED contract on April 30, 1994. This approach was confirmed ahead of time with OIT.

No short-term training, either in the US or third countries, is anticipated.

## VI. ADMINISTRATIVE ISSUES AND MANAGEMENT

### A. ORGANIZATION AND STAFFING:

The former Office of the AID Representative for Afghanistan Affairs (O/AID/Rep) was merged with USAID/Pakistan on July 23, 1993. The combined Mission is now called the USAID Mission for Pakistan and Afghanistan under which certain common functions are shared (Financial Management, EXO, Contracting, Legal Advisor, Program, Project Development and Monitoring), whereas other Afghan program-related functions continue separately under the Afghanistan Field Operations (health, education, agriculture, rural development, commodities/logistics/construction/Mine Dog Center, and PVOs). As a result of the reorganization, certain personnel and property resources of the two Missions were commingled. The Pakistan side

of the operation itself has been under a phase-out plan since the beginning of FY 1991 under the mandate of the Pressler Amendment. The Pakistan program is scheduled to wind-up in June 1995. The Afghanistan part of the program is scheduled to wind-up one year earlier.

The Pakistan program close-out is based on a time frame which allows for an orderly phase-out of all bilateral activities while leaving behind "useful units of assistance" which will contribute to the longer-term development of Pakistan. The Afghanistan program's close-out plan is based on a time frame which orderly closes out humanitarian assistance activities but is less concerned with "useful units of assistance" because the Afghan program was not development-oriented, did not attempt to build institutions, and was almost devoid of policy dialogue, except in a broader sense of stabilization and refugee return. The humanitarian assistance program became subject of an earlier-than-expected close-out because this was a condition to the Asia Bureau's acceptance of the new strategy in April 1993. The Mission immediately started accelerating the orderly phasing-out of all but one of the projects in the portfolio. Of the seven currently active USAID-funded projects (the eighth is DOD-funded), one has a PACD which extend beyond the June 30, 1994 close-out date (TSSP - 02/24/96). For operational reasons, TSSP has to be continued until its amended PACD. However, all contracts and cooperative agreements will terminate on or before June 30, 1994.

The basic organization of the Mission will not change until after June 30, 1994, when the Mission will revert back to "USAID/Pakistan" for one additional year. Since certain program and management functions are already shared, any close-out activities beyond that date can be monitored and overseen by the concerned USAID/Pakistan staff.

At the time of the merger, certain staff were identified specifically with the Afghan program in an attempt to maintain some degree of core staff dedicated to the Afghan-specific activities.

The Close-out Plan for the Afghanistan program is based on a time frame which allows for an orderly phase-out of projects and reduction of personnel. According to a phased personnel reduction schedule that we have prepared to implement the close-out plan, all U.S. personnel related to this program will leave between January and September 1994. All FSN PSC employees who were assigned solely to the Afghan program will be separated between January and September 1994. The fiscal, administrative, legal, commodity procurement, and contract management support is provided by the Pakistan program personnel and as such will be unaffected by the Afghanistan program Close-out Plan.

At the beginning of this close-out plan, there are 3 USDH, 7 USPSC, and 17 FSNPSC employees on board. The staffing projections, at the end of each month, for close-out plan are as follows:

ON BOARD STAFFING

	12/93	1/94	2/94	3/94	4/94	5/94	6/94	7/94	8/94	9/94
USDH	3	3	3	3	3	3	1	1	1	0
USPSC	7	6	6	6	6	3	2	2	1	0
FSNPSC	17	15	15	14	13	8	2	2	2	0
<b>TOTAL:</b>	<b>27</b>	<b>24</b>	<b>24</b>	<b>23</b>	<b>22</b>	<b>14</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>0</b>

**B. Real Property**

**1. Office Building**

The Afghanistan program personnel in Islamabad are located in the USAID Building which has been provided by the Government of Pakistan (GOP) to the Pakistan program of the USAID Mission on a long-term lease arrangement. Since the lease cost, the cost of maintenance of the building, and the cost of utilities expended in the USAID Building are paid out of GOP-provided local currency Trust Fund, we charge a proportionate share of those costs to the Afghan program operating expense dollar account. With the close out of the Afghan program in June 1994, the proportionate charging of those costs will be discontinued and the Pakistan program will pick up the entire costs. The status of this building, after June 1994, is discussed in the Pakistan program close out paper.

The one USDH, 1 USPSC, and 11 FSNPSC employees in Peshawar are located in an office building in the University Town area leased by the USAID Mission. The Afghan Program pays approximately 40% of the cost of rent, utilities, and maintenance of this leased office building; the Pakistan Program pays the rest of the 60% cost. This facility is scheduled to be closed by September 1994 by which time all USAID-financed project activities in the North-West Frontier Province are expected to terminate.

**2. Residential Property**

The short-term lease contracts on three houses will be terminated at the time of departure of these employees. Under the terms of the lease contracts, the USAID Mission has the option to terminate lease contracts by giving the owner 30 days advance notice. No residential housing support is provided by the Mission to resident-hire USPSC and FSNPSC employees.

**C. Non-Expendable Property**

**1. Project-funded Assets:**

The Mission will dispose of assets/non-expendable property as outlined in Islamabad 14631 (Afghan Property Disposal Options) and Islamabad 14677 (Limited Waiver of Brooke Amendment). If the special authority requested in Islamabad 14631, and the waiver of Brooke requested in Islamabad 14727 are approved, the Mission will basically dispose of property as stated in Islamabad

14631:

- a. Grantees who continue their program in Afghanistan will continue to use property acquired under their grants.
- b. Other property will either be donated to international organizations, NGOs or PVOs, pursuant to 6 FAM 227, 3-5, or otherwise disposed of according to the other options in 6 FAM Part 22 (such as distribution to other USAIDs or auction).

The Mission expects assets disposition to be completed well before the Sep. 30, 1994 demobilization deadline. All activities but one close out by the end of April 1994, so the Mission should have sufficient time to dispose of any project-funded property. Only the UNO contract runs beyond this date, to June 30, 1994, but most of their property is proposed for grant-in-aid to GOA entities, which is not a cumbersome process if the Waiver of Brooke is approved.

2. OE-funded Assets:

The non-expendable property and vehicles, procured with Afghan Program operating expense (OE) funds prior to October 1, 1993, were merged with those of Pakistan Program as a single inventory. This merger was approved by FA/OMS in an e-mail message dated October 30, 1993. The Afghanistan Program, as such, has no OE-funded non-expendable property to dispose of. The close-out of the Afghanistan Program by end of FY 94, therefore, has no impact on the disposal of that property.

VII. FINAL EVALUATION

The Mission has, over time, conscientiously undertaken periodic valuations of its projects. At this juncture, however, since we are in a closeout mode, we consider that an orderly presentation of documentation represents a far more sensible plan of action than embarking on a fresh series of final project evaluations. We will, instead, systematically pull together relevant documents in a special effort, for transmission to CDIE so that the record of valuable experience is not lost.

Table CAFGHAN PROGRAM FUNDED PERSONNEL

	<u>Name</u>	<u>Title</u>	<u>ETD</u>
<u>USDH</u>			
1.	Douglas Palmer	Health Development officer	6/94
2.	John Huxtable	Food for Peace Officer	6/94
3.	John Tucker	Education Officer	9/94
<u>USPSC</u>			
1.	Lois Kerr	Asst Proj Off (AHR)	1/94
2.	Pamela Wegge	Asst Proj Off (Education)	5/94
3.	Don Meier	Asst Proj Off (Agr)	5/94
4.	Sue Grosenick	Asst Proj Off (CEP)	6/94
5.	Jean Gianfranceshi	Proj Devl Officer	8/94
6.	Mella Leiter	Asst Proj Off (Health)	9/94
7.	Qazi Saleem	Asst Proj Off	5/94
<u>FSNPSC</u>			
1.	Zulfiqar Hameed	C&R Supervisor	6/94
2.	Mansoor R. Pasha	Secretary	4/94
3.	M. Imran Amin	Secretary	9/94
4.	M. Javed Ali	Secretary	6/94
5.	Farmanullah	Secretary	9/94
6.	Takbir Khan	Chauffeur, Peshawar	5/94
7.	A. Quhar Samin	Agriculture Advisor, Peshawar	6/94
8.	M. Azim Walee	Asst Data Collector, Peshawar	5/94
9.	Ruhul Amin	Asst Data Collector, Peshawar	5/94
10.	S. Sakhi Lodin	Asst Data Collector, Peshawar	1/94
11.	G. M. Akhundzada	Asst Data Collector, Peshawar	3/94
12.	S. Afzal Sherzad	Proj Mgmt Asst, Peshawar	5/94
13.	Said A. Shahidi	Cartographic Asst, Peshawar	5/94
14.	Sher M. Walizada	Proj Mgmt Asst, Peshawar	1/94
15.	Ramin Nabilzadeh	Proj Mgmt Spec, Peshawar	6/94
16.	M. Asef Ikram	Chief, DC&A Unit	6/94
17.	Raja Shahid Jamil	Secretary	6/94

AFGHAN PROGRAM FUNDED PERSONNEL

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	<u>Name</u>	<u>Title</u>	<u>ETD</u>
19.	Takbir Khan	Chauffeur, Peshawar	5/94
20.	A. Quhar Samin	Agriculture Advisor, Peshawar	6/94
21.	M. Azim Walee	Asst Data Collector, Peshawar	5/94
22.	Ruhul Amin	Asst Data Collector, Peshawar	5/94
23.	S. Sakhi Lodin	Asst Data Collector, Peshawar	1/94
24.	G. M. Akhundzada	Asst Data Collector, Peshawar	3/94
25.	S. Afzal Sherzad	Proj Mgmt Asst, Peshawar	5/94
26.	Said A. Shahidi	Cartographic Asst, Peshawar	5/94
27.	Sher M. Walizada	Proj Mgmt Asst, Peshawar	1/94
28.	Ramin Nabilzadeh	Proj Mgmt Spec, Peshawar	6/94
29.	M. Asef Ikram	Chief, DC&A Unit	6/94

FACTORS BEARING UPON THE DECISION TO TERMINATE THE AFGHAN PROGRAM INCLUDE:

- In order to respond to the new realities of the Post-Cold War world, the Clinton Administration is seeking a new direction for USAID. This new direction entails a narrower focus on the Agency's development priorities, concentrated in fewer countries.
- Accordingly, USAID is closing 21 of its 108 programs and Missions world-wide and is reducing the scopes of many others. The Cross-Border Humanitarian Assistance Program to the people of Afghanistan is one of the 21 programs to be closed-out during FY 1994.
- In today's competitive environment, the U.S. Government simply can no longer afford to devote increasingly scarce resources to those countries which fail to demonstrate significant progress toward political/security stability and post-war reconstruction and rehabilitation of economic and physical infrastructure.
- Since April 1992, with the collapse of the communist regime, the political situation in Afghanistan has been characterized by the absence of effective central authority and an ongoing civil war between the various contending factions. Governmental functions, where they are performed at all, are split between a fragmented central government and regional councils which attempt -- with mixed success -- to establish some form of local administration.
- Various "accords" between the contending factions have not been fully met, and despite drafting of an interim set of constitutional principles and inconclusive discussions about elections, intermittent fighting and a general political stalemate continue in Kabul.
- The rule of law has broken down in most of Afghanistan. No formal internal security apparatus has been established by the tenuous coalition government. The country has no constitution, national judicial system, or effective central government. The unstable political situation, exacerbated by the presence of well-armed party militias and those of individual commanders, has produced an array of regional security arrangements, many of which operate independently of both party authorities and the fractuous central government.
- In the volatile, uncontrolled and tense political and security environment human rights have been, and continue to be, routinely violated on a large scale. Hostage-taking, including foreigners, remains common particularly during outbursts of heavy fighting. The central government has been unable or unwilling to bring an end to this practice.
- Freedom of speech and press are not guaranteed, and in practice the government lacks the authority to protect them. In the absence of an effective central authority in Kabul, it is not possible to assess the government's commitment to the human rights of women, children, minorities and the disabled.
- Afghans, for many years, have not had the ability to change their government through

peaceful, democratic means.

- Persistent factional fighting and political instability have prevented any serious antinarcotics achievements by the Government of Afghanistan to date. Continued economic disruption throughout most of the country also plays a role in encouraging farmers and returning refugees to take up opium production as a cash crop. Afghan leaders have received the message that failure to stem narcotics production and trafficking will seriously impede reconstruction assistance from donors.

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ACTION AID-00

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APPROXIMATELY \$2,604,000.

ACTION OFFICE ASEA-02  
INFO ASTR-03 ASDR-01 ASHS-01 FAPB-01 PPSF-01 PPAR-01 IG-01  
GC-01 GCM-01 AAG-01 SIM-03 SEOP-01 FMAD-02 SERP-01  
SECS-02 AMAD-01 TELE-01 ASPD-02 ASSA-03 FAPB-02 PPCE-01  
LARR-01 /034 AB 24/1319Z

INFO LOG-00 CIAE-00 DODE-00 ED-00 NEA-00 SA-00 /00AM  
-----00C575 241041Z /30

O 241039Z NOV 93  
FM AMEMBASSY ISLAMABAD  
TO SECSTATE WASHDC IMMEDIATE 1385

UNCLAS ISLAMABAD 14627

AIDAC

FOR DAA/ANE LINDA MORSE

E.O. 12356: N/A  
SUBJECT: LIMITED WAIVER OF BROOKE AMENDMENT TO GRANT  
PROPERTY TO AFGHANISTAN

REF: (A) STATE 332009, (B) STATE 350744 (RDU)

1. SUMMARY: REF B CONFIRMED THAT THE USAID PROGRAM FOR AFGHANISTAN IS TO SHUT DOWN BY THE END OF FY 94. PROJECT ACTIVITIES WILL CEASE BY THE END OF JUNE 94. REF A INDICATED THAT THE AHE BUREAU WOULD BE WILLING TO PURSUE THE POSSIBILITY OF A LIMITED WAIVER OF THE BROOKE AMENDMENT AND SECTION 620 (G) TO GRANT CERTAIN PROPERTY TO INSTRUMENTALITIES OF THE AFGHAN GOVERNMENT IF THE MISSION REQUESTED. GIVEN THE DECISION TO SHUT OFF DIRECT USAID ASSISTANCE TO AFGHANISTAN WE BELIEVE THE TIME IS RIGHT FOR A LIMITED WAIVER OF THE BROOKE

AMENDMENT AND SECTION 620 (G) SO THAT USAID IS ABLE TO MAKE A LASTING CONTRIBUTION TO THE GOA AS WE CLOSE OUT OUR VERY SUCCESSFUL HUMANITARIAN ASSISTANCE PROGRAM.

2. THE MISSION REQUESTS AHE BUREAU ASSISTANCE TO DRAFT AN APPROPRIATE REQUEST FOR A LIMITED WAIVER OF THE BROOKE AMENDMENT AND SECTION 620 (G) TO ALLOW THE MISSION TO MAKE GRANTS IN AID TO SELECTED INSTRUMENTALITIES OF THE GOA PURSUANT TO 6 FAM 227.3-

4. DETAILS OF THE PROPERTY PROPOSED FOR THE GRANTS IN AID AND THE PROPOSED RECIPIENTS FOLLOWS.

3. THE APPROXIMATELY \$ 2.8 MILLION (ACQUISITION COST) IN PROPERTY PROPOSED FOR GRANTS IN AID TO THE GOA IS THE PROPERTY WHICH USAID WOULD HAVE USED TO CARRY OUT THE HEALTH AND BASIC EDUCATION PROJECTS APPROVED IN THE MISSION STRATEGY FOR AFGHANISTAN. AS SUCH, NEARLY ALL OF THE PROPERTY IS CURRENTLY IN THE CUSTODY OF THE TWO ORGANIZATIONS WHICH WOULD HAVE CARRIED OUT THE TWO PROJECTS -- MANAGEMENT SCIENCES FOR HEALTH (MSH) AND THE UNIVERSITY OF NEBRASKA-OMAHA (UNO) -- WHICH WOULD FACILITATE THE HANDING OVER PROCESS IF THE WAIVER IS APPROVED.

-- THE KINDS OF PROPERTY INCLUDE, ON THE HEALTH SIDE, MICROSCOPES, X-RAY MACHINES, MEDICAL KITS FOR HEALTH CLINICS AND HOSPITALS (INCLUDING MEDICINES AND SUPPLIES), GENERATORS, AUDIO VISUAL TRAINING EQUIPMENT, ITEMS USED IN THE OPERATION OF AN IMMUNIZATION PROGRAM SUCH AS REFRIGERATORS AND SYRINGES, VEHICLES, COMPUTERS AND OFFICE EQUIPMENT,

ALL VALUED ON AN ACQUISITION COST BASIS AT

-- ON THE EDUCATION SIDE THE PROPERTY INCLUDES BASIC CLASSROOM EQUIPMENT SUCH AS BLACKBOARDS AND OVERHEAD PROJECTORS, AUDIO VISUAL TRAINING EQUIPMENT, GENERATORS, VEHICLES, COMPUTERS AND OFFICE EQUIPMENT, ALL VALUED ON AN ACQUISITION COST BASIS AT APPROXIMATELY \$236,558.

4. SIMILARLY, THE PROPOSED RECIPIENTS ARE THOSE INSTRUMENTALITIES IN THE GOA WITH WHICH MSH AND UNO WOULD HAVE WORKED IN THE NEW STRATEGY.

-- SPECIFICALLY, ON THE HEALTH SIDE, THE RECIPIENTS WOULD BE THE REGIONAL HEALTH COMMITTEES IN THE NORTH, CENTRAL AND SOUTH-SOUTHWEST OF AFGHANISTAN (WHICH COVER APPROXIMATELY HALF OF THE COUNTRY) AND, WITHIN THE MINISTRY OF PUBLIC HEALTH, THE MATERNAL AND CHILD HEALTH DEPARTMENT, THE PREVENTIVE MEDICINE DEPARTMENT AND THE TRAINING INSTITUTE.

-- ON THE EDUCATION SIDE THE RECIPIENTS WOULD BE THE PROVINCIAL DIRECTORATES OF EDUCATION IN THE PROVINCES OF HERAT, FARAH, HANGARHAR, KUNAR, KHOST AND PAKTYA. THESE SIX PROVINCES HAD BEEN CHOSEN FOR SUPPORT IN THE NEW EDUCATION STRATEGY BASED ON USAID'S AND UNO'S LONG EXPERIENCE AND JUDGMENT CONCERNING SECURITY, POTENTIAL FOR SUSTAINABILITY AND LOCAL COMMITMENT AND EFFORT.

5. THE MISSION WOULD BE PLEASED TO PROVIDE ADDITIONAL INFORMATION ABOUT THE PROPOSED PROPERTY AND RECIPIENTS IF REQUESTED. ACTING CHIEF OF AFGHAN FIELD OPERATIONS MARK WARD IS THE CONTACT POINT FOR THIS EXERCISE.

6. THE MISSION RECOGNIZES THAT WAIVERS OF THE BROOKE AMENDMENT HAVE BEEN FEW, BUT WE BELIEVE THE JUSTIFICATION IS OVERWHELMING IN THIS CASE. FIRST, AT THE POLITICAL LEVEL, IS THE DESIRE TO LEAVE SOMETHING

OF VALUE BEHIND IN AFGHANISTAN AS THE USAID PROGRAM SHUTS DOWN. SECOND, AT THE DEVELOPMENT LEVEL, THE PARTS OF THE GOA WE PROPOSE TO SUPPORT WERE OUR PARTNERS IN THE AFGHAN INTERIM GOVERNMENT THROUGHOUT THE WAR. AS INDICATED ABOVE, THEY ALSO WOULD HAVE BEEN OUR COUNTERPARTS IN THE NEW STRATEGY THAT WAS APPROVED FOR AFGHANISTAN, BASED ON OUR JUDGMENT THAT THEY POSSESSED THE DEDICATION AND CAPABILITY TO SUSTAIN HEALTH AND EDUCATION ACTIVITIES NOTWITHSTANDING THE TURMOIL THAT CONTINUES IN THE COUNTRY. AND FINALLY, AT THE PRACTICAL LEVEL, FOR MUCH OF THE PROPERTY OUR ONLY REAL ALTERNATIVE IS ABANDONMENT. NEARLY ALL OF THE PROPERTY PROPOSED ABOVE IS LOCATED INSIDE AFGHANISTAN AND, GIVEN THE NEWS THAT USAID DIRECT SUPPORT IS ENDING AND CONTINUING SECURITY CONCERNS, WOULD PROBABLY NOT BE SAFELY RETRIEVABLE FOR OTHER USES.

7. THIS IS AN URGENT REQUEST AND THE MISSION APPRECIATES ALL THE BUREAU CAN DO TO EXPEDITE THIS ACTION. HOWEVER, IF POSSIBLE, WE WOULD ALSO LIKE TO

PRESERVE THE OPTION TO INCLUDE OTHER PROPERTY AND OTHER GOA RECIPIENTS EITHER UNDER THE AUTHORITY OF THIS WAIVER (IF APPROVED) OR SEPARATE WAIVERS IF APPROPRIATE CASES COME TO OUR ATTENTION AT A LATER DATE. MONJO

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RECIPIENT EITHER "BUYS" THE PROPERTY FROM USAID OR DISPOSES OF IT ACCORDING TO OUR INSTRUCTIONS. OUR DISPOSAL OPTIONS ARE LISTED AT 6 FAM 227 ET SEQ.

ACTION OFFICE CC24 02  
INFO ASAA-01 ASFP-03 OL-01 FAPB-01 FLMH-02 GC-01 FAOM-03  
GCCM-01 ASFP-02 SEOP-01 SERP-01 FAPB-02  
/021 45 LSS 241045Z

6. CONTRACTS. FOR CONTRACTS, AS OPPOSED TO GRANTS AND COOPERATIVE AGREEMENTS, WE MUST PROVIDE DISPOSITION INSTRUCTIONS FOR ALL NONEXPENDABLE PROPERTY WITH UNIT ACQUISITION COSTS OF MORE THAN \$500, WHETHER OR NOT THE CONTRACTOR IS CONTINUING WITH OTHER FUNDING. AGAIN, OUR DISPOSAL OPTIONS ARE LISTED AT 6 FAM 227 ET SEQ.

INFO LOG-00 CIAE-00 ODOE-00 EB-00 NEA-00 SA-00 RPE-01  
/005W

7. OUR PREFERENCE FOR DISPOSAL OF SOME OF THE PROPERTY IS TO MAKE GRANTS IN AID TO INSTRUMENTALITIES OF THE AFGHAN GOVERNMENT AND DONATIONS TO INTERNATIONAL ORGANIZATIONS AND NONPROFIT ORGANIZATIONS. (WE SAY SOME OF THE PROPERTY BECAUSE MUCH OF IT IS BEING SOLD, IN MONTHLY AUCTIONS, IN ISLAMABAD AND PESHAWAR.) BUT WE NEED USAID/W ACTION ON TWO IMPORTANT ITEMS TO GIVE US THIS AUTHORITY.

P 241044Z NOV 93  
FM AMEMBASSY ISLAMABAD  
TO SECSTATE WASHDC PRIORITY 1330

A. GRANTS IN AID TO INSTRUMENTALITIES OF THE AFGHAN GOVERNMENT. GRANT IN AID TO HOST GOVERNMENTS IS AMONG THE AUTHORIZED DISPOSITION ALTERNATIVES IN THE FAM (SECTION 227.3-4), BUT WOULD REQUIRE A LIMITED WAIVER OF THE BRODIE AMENDMENT AND SECTION 620 (G) FOR AFGHANISTAN. THE MISSION WILL REQUEST SUCH A LIMITED WAIVER IN SEPTEL.

UNCLAS//SI//AFM//AS 14631

AIDAC

E O 12336: N/A  
SUBJECT: AFGHAN PROPERTY DISPOSAL OPTIONS

B. DONATIONS TO INTERNATIONAL ORGANIZATIONS, PVOS AND NGOs. DONATIONS TO INTERNATIONAL ORGANIZATIONS AND NONPROFIT ORGANIZATIONS ARE ALSO AUTHORIZED IN THE FAM (SECTION 227.3-5), BUT WITH TWO CONDITIONS: THAT THE PROPERTY CANNOT BE DISPOSED OF BY REDISTRIBUTION, TRANSFER OR SALE AND THAT THE PROPERTY HAS LITTLE OR NO COMMERCIAL VALUE. WE PROPOSE THAT THE A/SAFE INVOKES THE NOTWITHSTANDING AUTHORITY IN SECTION 549 (A) OF THE FY 94 APPROPRIATIONS ACT TO WAIVE THESE CONDITIONS, TO ALLOW THE MISSION TO DONATE PROPERTY TO

REF STATE 33:005

1 SUMMARY. THIS CABLE REVIEWS THE VARIOUS PROPERTY DISPOSAL OPTIONS THE MISSION HOPES TO BE ABLE TO UTILIZE AS OUR SEVERAL CONTRACTS, GRANTS AND COOPERATIVE AGREEMENTS COME TO A CLOSE. TWO OPTIONS REQUIRE WASHINGTON CONCURRENCE AND ACTION.

ORGANIZATIONS STILL ACTIVE IN HUMANITARIAN ASSISTANCE TO AFGHANISTAN AS FOLLOWS.

2 GRANTS AND COOPERATIVE AGREEMENTS PURSUANT TO HANDBOOK 13, CHAPTER 1, SECTION 116, TITLE FOR PROPERTY ACQUIRED WITH AFGHAN PROGRAM FUNDS RESTS WITH THE PARTICULAR GRANT OR COOPERATIVE AGREEMENT RECIPIENT. STANDARD PROVISION 21, TITLE TO AND USE OF EQUIPMENT (GRANTEE 1-1-88, FROM APPENDIX 4C OF

-- FOR PROPERTY LOCATED INSIDE AFGHANISTAN, WHERE SECURITY CONDITIONS HAVE OFTEN PRECLUDED MOVING THE PROPERTY TO OTHER LOCATIONS, DONATION TO ORGANIZATIONS WORKING IN THE SAME AREA HAS USUALLY BEEN OUR ONLY CHOICE. THE INABILITY TO MOVE PROPERTY TO OTHER LOCATIONS OR OUT OF THE COUNTRY (FOR REDISTRIBUTION, TRANSFER OR SALE) IS EXPECTED TO INCREASE AS THE AFGHANS LEARN THAT DIRECT USAID ASSISTANCE IS ENDING. IN THESE CIRCUMSTANCES, WE BELIEVE THE BEST DISPOSITION OF THE PROPERTY IS TO DONATE IT TO THOSE INTERNATIONAL ORGANIZATIONS, PVOS AND NGOs WORKING IN THE AREAS WHERE THE PROPERTY IS CURRENTLY LOCATED.

HANDBOOK 13, IS USED IN OUR GRANTS AND COOPERATIVE AGREEMENTS WITH US NGOs.

-- FOR PROPERTY LOCATED INSIDE PAKISTAN, WE BELIEVE DONATION OF REQUESTED ITEMS TO UNITED NATIONS AGENCIES AND AID-REGISTERED PVOS WITH CONTINUING AFGHAN HUMANITARIAN ASSISTANCE PROGRAMS IS PREFERABLE TO THE

3 AS STANDARD PROVISION 21 STATES, AS LONG AS PROGRAM-FUNDED PROPERTY WILL CONTINUE TO BE USED IN SUPPORT OF THE ORIGINAL GRANT OR COOPERATIVE AGREEMENT PROGRAM, THE RECIPIENT NEED NOT RETURN THE PROPERTY TO USAID OR OTHERWISE SEEK OUR APPROVAL TO DISPOSE OF THE PROPERTY WHEN THE GRANT OR COOPERATIVE AGREEMENT ENDS. SIMILARLY, THE GRANTEE NEED NOT RETURN THE PROPERTY TO USAID OR SEEK OUR APPROVAL TO TRANSFER THE PROPERTY TO ITS OTHER FEDERALLY SPONSORED ACTIVITIES, IF ANY. SO FOR THOSE RECIPIENTS WHO INTEND TO USE PROPERTY ACQUIRED UNDER THE USAID GRANT OR COOPERATIVE AGREEMENT ON THE SAME PROGRAM, BUT WITH OTHER FUNDING, THE MISSION HAS NO ACTION. THIS WILL APPLY TO MOST OF OUR RECIPIENTS.

REDISTRIBUTION, TRANSFER OR SALE THE FAM REQUIRES. THE CONGRESS APPROPRIATED THE FUNDS WHICH PURCHASED THIS PROPERTY FOR THE AFGHAN PEOPLE AND THE NEED FOR THE PROPERTY HAS NEVER BEEN GREATER. TO REFUSE TO MAKE IT AVAILABLE TO THE UN AGENCIES AND AID-REGISTERED PVOS WE HAVE BEEN WORKING WITH SINCE THE BEGINNING OF USAID'S AFGHAN PROGRAM BECAUSE OUR DIRECT ASSISTANCE IS ENDING WOULD, WE BELIEVE, UNNECESSARILY

4 BUT WHERE THE PROPERTY WILL NO LONGER BE USED FOR THE SAME PROGRAM (EITHER BECAUSE THE RECIPIENT WILL NOT CONTINUE THE PROGRAM AFTER THE GRANT OR COOPERATIVE AGREEMENT ENDS OR THE RECIPIENT'S PROGRAM CHANGED SIGNIFICANTLY), AND THE RECIPIENT EITHER HAS NO OTHER FEDERALLY SPONSORED ACTIVITIES OR CHOOSES NOT TO USE THIS PROPERTY FOR SUCH OTHER ACTIVITIES, THE RECIPIENT MUST "DISPOSE" OF THE PROPERTY ACCORDING TO THE TERMS OF THE STANDARD PROVISION.

5 WE NEED NOT APPROVE DISPOSITION OF NONEXPENDABLE PROPERTY WITH UNIT ACQUISITION COSTS OF LESS THAN \$500 FOR RECIPIENTS OF GRANTS AND COOPERATIVE AGREEMENTS. HOWEVER, WE DO HAVE TO APPROVE DISPOSITION OF ALL

OTHER NONEXPENDABLE PROPERTY. IN THIS SITUATION STANDARD PROVISION 21 SPECIFICALLY SAYS THAT THE

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PENALIZE THE AFGHAN PEOPLE WHO SUPPORTED UNITED STATES FOREIGN POLICY WITH THEIR LIVES FOR MORE THAN A DECADE. (NOTE, THAT UNLIKE THE PROPERTY LOCATED INSIDE AFGHANISTAN FOR WHICH OUR DISPOSAL OPTIONS ARE LIMITED, WE WOULD ONLY MAKE DONATIONS OF PROPERTY LOCATED INSIDE PAKISTAN TO UN AGENCIES AND AID-REGISTERED PVOS.) THEREFORE, WE SEEK THE AUTHORITY TO APPROVE REQUESTS FROM UN AGENCIES AND AID-REGISTERED PVOS FOR DONATIONS OF SPECIFIC PROPERTY LOCATED IN USAID WAREHOUSES IN PAKISTAN NOTWITHSTANDING THE CONDITIONS IN 6 FAM 227.3-5.

6. ALL PROPERTY ACTIONS WHICH REQUIRE USAID APPROVAL ARE DOCUMENTED BY ACTION MEMORANDA APPROVED BY THE MISSION DIRECTOR AND CLEARED BY THE REGIONAL LEGAL ADVISOR, THE CONTRACTS OFFICE, THE CONTROLLER'S OFFICE AND THE EXECUTIVE OFFICE.

8. MISLICH WOULD APPRECIATE TIMELY BUREAU ACTION TO GAIN APPROVAL OF A LIMITED WAIVER OF THE BROOME AMENDMENT AND SECTION 6204(i) WHEN THE MISSION'S REQUEST IS RECEIVED IN SEPTIL, AND TO WAIVE THOSE PROVISIONS OF 6 FAM 227.3-5 IDENTIFIED ABOVE WHICH

PREVENT US FROM DONATING PROPERTY TO ORGANIZATIONS WITH CONTINUING AFGHAN HUMANITARIAN ASSISTANCE PROGRAMS. THESE ACTIONS WOULD GIVE US THE FLEXIBILITY TO DISPOSE OF AFGHAN PROGRAM PROPERTY FOR THE MAXIMUM BENEFIT OF THE AFGHAN PEOPLE FOR WHOM THE CONGRESS AND USAID PROVIDED THE PROPERTY. H0610

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MEMORANDUM

Closeout. Afg.

DATE: January 14, 1993  
TO: John Blackton, Mission Director - Pakistan/Afghanistan  
SUBJECT: Afghanistan Program Close-Out Plan  
FROM: Barry MacDonald, ANE/ASIA/DR/PD

As noted in my previous e-mail, the Bureau held an in-house review of the close-out plan on January 12, 1993. We will be scheduling shortly a formal review including staff from other Bureaus and offices involved in the close-out process. Prior to that meeting, we need the Mission's help in clarifying several points. I suggest that the best mechanism is to send us a short document which simply lists each of the items below along with the Mission's response. We will then append this piece to the material you have already provided and go from there. All of the questions below, with one exception, deal with the programmatic aspects of the Afghanistan closing. Since the Afghanistan and Pakistan groups now form one unit, we will be better able to work through the operational and administrative elements of the close-out when we have the Pakistan plan in hand. Our questions:

1. Useful units. In a narrow sense, it is clear that since many projects were coming to their natural end at any rate, then the 617-type process of identifying useful units doesn't make much sense. However, there are several projects for which it would be useful to have a fuller explanation of what may be lost by our close-out, and what is to be gained by measures which we can take to foster as much sustainability of our efforts as possible under the circumstances.

a. For both ESSP and HSSP. There is mention of the attempt to design a second generation effort aimed at producing a sustainable development result. A fuller explanation of what is being lost as a result of the close-out would be useful, particularly to shed light on the utility of the "commodity bridge" concept as a means of sustaining some aspects of these projects as long as possible.

b. For CEP, the question is focused on the ACLU. From the plan: "Efforts are underway to privatize the ACLU so it can become a viable entity, contracting independently for reconstruction work." How far are we in the process? What more needs to be done? What can realistically be done given the time available and where will that leave ACLU in the end?

c. For HRDP, there is mention of CRTA and BTS. If alternative funding sources are not located, what is lost?

2. The commodity bridges. There is need for more detail on what is envisioned. Our understanding is that the bridges are only for ESSP and HSSP. Can you provide greater detail on the types of materials and the orders of magnitude of the procurements. Will they be funded from remaining funds in those two projects only? Is there need for funds for the bridges from other elements of the portfolio, and if so, do we need deob-reob action in order to accomplish this? Is this what is meant by the statement in the plan on seeking "...authority to expend most funds in grants, coop. agreements and contracts...to enable the Mission to complete an orderly close-out of all project assistance activities."

3. Project financing. We understand from the plan that most program funds currently available will be expended during the course of the close-out. Please provide us with a project level break-out which details remaining pipeline, projected expenditures and the balance, if any, as of the PACD.

4. Commodity disposition. In the case of the Brook waiver, we need greater detail on a contingency plan should the waiver not go through and a date by which the contingency plan must be activated to assure an orderly process.

5. Evaluation. The Bureau agrees that project level impact evaluations at this point are simply not doable. Please detail the sorts of materials you expect to include in the orderly presentation of documents which is spoken of in the plan. Among those undoubtedly will be a series of Project Assistance Completion Reports. Those present at the review session here felt that it may be useful to prepare a summary which brings together findings from these completion reports along with other evaluative observations in one final completion report on the Afghan program as a whole. We solicit your opinion on the practicality and utility of this idea.

6. FY 94 ESF. Please provide a rack-up of the expected uses of the \$2 million as it now stands, a listing of the actions necessary to get the work completed before the close-out date, an assessment of the feasibility of completing all actions by the close-out date, and a contingency plan for handling these resources if we don't make it.

7. Monitoring. Does it make sense for AID/W to play the monitoring role for the mine-dog grant? Would it be a better arrangement for another field mission to assume this action, i.e. Pakistan until the end of FY 94 and India or some other mission thereafter? What are the range of monitoring and management functions which will need to be carried out for this grant. - Are there monitoring and oversight requirements implicit in the assistance actions to be taken with the FY 94 ESF and how will those be dealt with?

8. Identification of problem areas. Are there specific contractual, financial, administrative or other problem areas which are likely to be encountered as the close-out proceeds? Protests and claims from contractors come most readily to mind. - Are there any support requirements from AID/W or other sources to assist with the close-out process?

9. Personnel. The numbers of FSNs in Table C and several tables imbedded in the text don't agree. Can you either explain the difference or provide a revision of the numbers. A number of the FSNs have termination dates which extend beyond the close-out date. Please explain.

## ADDENDUM

January 19, 1994

The attached information, paragraphs one through nine, below, constitute an addendum to the Phase-Out Plan. The Plan itself has corrections on pages 20 and 21 as well as a corrected Table C on page 23. Please destroy the earlier submitted version of the Plan and substitute this version dated January 19, 1994.

### 1. Useful Units

The Afghan Cross-Border program has from its inception been, as its name properly implies, a Humanitarian Assistance Program for War-affected Afghans. As such, the emphasis has not been on the creation of "useful units" but rather on providing high-quality humanitarian goods and services to the Afghan people -- especially to the most vulnerable; women, widows, children, orphans, the disabled, the poor and the hungry. In the process we have supported Afghan organizations (the Education Center for Afghanistan, the Afghan Institute of Public Health, the Afghan Construction and Logistics Unit, among others), which we hoped would be integrated into the appropriate ministries at the appropriate time. These organizations now will have to survive without our assistance and their integration into government ministries may be premature, unplanned and poorly timed, given the current security situation in the country. Others will have to learn to stand on their own feet earlier than anticipated, or go under.

When the Mission was ordered to close out its program by June 30, 1994, it was in the process of designing two projects which aimed for more sustainable development results; one to reduce infant and child mortality and the other one to increase primary school enrollment, especially for girls. A PID had been submitted to the Bureau for the proposed health project, while the concept paper for the education project had been approved in the Mission and work on the PID was ongoing.

### HSSP:

The EPI component of the new health project expected to vaccinate 1 million children under 2 years of age against childhood diseases, vaccinate 900,000 females of reproductive age against tetanus toxoid, and increase the capabilities of three Regional Health Authorities (RHA) to manage EPI programs. The MCH component of the health project expected to treat 800,000 infants and children under five to reduce incidence of diarrhea, ARI, malaria and other selected diseases; provide pre-and post-natal care to 400,000 women; and increase the capabilities of two RHAs

to manage the delivering of MCH services. These achievable results will now be foregone.

The proposed "commodity bridge" would allow UNICEF, through the GOA and/or NGOs to continue the immunization program which USAID has supported through the HSSP. Without the continued assistance, EPI in the short-term (FY 94/95) will rapidly decline by about 40% over last year's performance. The HSSP was the only project, country wide, which provided maternal and child health care on a significant scale. Much of this care was directed towards women. MSH had developed innovative delivery mechanisms to reach women in their villages. This effort will be completely lost with the termination of our program, as no other donor or NGO is able and/or willing to continue HSSP services to Afghan women.

#### ESSP:

The Education Sector Support Project (ESSP), which supported basic education in Afghanistan since 1986, reached an estimated 410,000 children at roughly 1,600 primary schools. Although USAID's assistance enabled a war-shattered system of primary education to be reestablished in rural areas, some aspects of these programs needed to be improved if the effectiveness of the overall system were to be enhanced.

ESSP was building the foundation of an education system in Afghanistan which would act as a bridge in the transition to a peaceful, stable government. ESSP textbooks have been accepted as the national curriculum. The textbooks which are left behind will continue to produce benefits into the future. The Instructional Materials Design Center is the only supplier of instructional aids to the schools of Afghanistan. Effort is being made to develop an initial instructional material development capacity at the regional centers (Khost, Jalalabad and Herat). Currently, Khost is functional and Jalalabad is in process. The production/distribution of textbooks and instructional materials will assist in bridging and sustainability.

The proposed new education project would have built on the successes of the ESSP and focus on the main problem of the chronic shortage of qualified teachers, both male and female, at the local level; the standardization of curriculum for primary schools; and increased community participation in supporting local schools. Numerical indicators of EOPS would have increased enrollment from 23 percent to 35 percent of eligible age group children, and would have tripled girls' enrollment from 5 percent to 15 percent. These achievable results will now be foregone.

#### CEP:

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The CEP-funded Mine-Detection Dog Center (MDC) is scheduled to be turned over (as a registered Afghan NGO) to the United Nations at the end of January, 1994. The CEP-funded ACLU will become a properly constituted, registered Afghan NGO by the end of March 1994, ready to undertake donor-funded reconstruction activities in Afghanistan.

Options for establishing ACLU as an independent legal entity and formation of a joint venture firm with a U.S. construction company were examined. Though there are clearly some advantages associated with the joint venture option, considering the time constraint and the risky situation inside Afghanistan, the formation of ACLU as an NGO seems to be most appropriate course to pursue. This is probably the only basis on which ACLU can continue to serve a number of its existing clients. To pursue formation of ACLU as an NGO, a number of steps have been taken including hiring of an attorney for the drafting of its legal charter; the selection of the Board of Directors; filing of Articles and Memorandum of Association with the Chairman of Joint Stock Companies in Islamabad; and conducting an informal meeting (orientation) of the Board of Directors; etc. Though the process of converting ACLU into a registered NGO is well under way (albeit experiencing GOP's routine bureaucratic practices), it does not prevent ACLU management from exploring the joint venture option on its own in the future.

All legal documents for incorporation of the ACLU have been drawn up by Pakistani counsel and have been submitted to the appropriate authorities in Peshawar. The ACLU Board has met, informally, to begin reviewing some of the issues facing the new company in anticipation of formal incorporation. The Mission has carefully reviewed the Nathan-Berger consultant's recommendations with respect to ACLU's capability and viability without USAID support and has issued instructions to the technical assistance contractor (CCSC) to focus training activities in these final months on several key areas (financial management, costing and marketing). The Mission does not intend to grant any additional program-funded equipment to the ACLU, as it already has sufficient equipment to meet all foreseeable contracting needs.

HRDP:

Alternative funding sources for the Construction-Related Training for Afghans (CRTA) and the Basic Trade Skills (BTS) programs are being pursued. Hopefully the Germans, who were very active in vocational/technical training in Afghanistan before the war, may take over funding for these activities. It is possible that the BTS Center in Ghazni can continue on a self-sustaining basis, charging fees; however, it is unlikely that the Peshawar and Quetta BTS operations can be sustained on fees alone. If the contractor cannot locate an alternate source of funding for the CRTA, the current training cycle will be condensed to permit

timely close-out of contractor and sub-contractor services. This is most unfortunate for it was intended that the Engineering Program -- which was derived from and parallels the curriculum of the (USAID-supported) university-level program offered at Kabul University (KU) before the war, would form the basis for the re-establishment of the Faculty of Engineering at KU once peace returned.

Currently 746 trainees (BTS, BATS and CRTA) are enrolled in the various programs. Seventy trainees will continue course work in CRTA's Construction Supervisor Program and all will graduate on April 15, 1994; 68 continue course work in the Construction Engineering program and 20 will also graduate in April, 1994. If no alternative funding sources are found in a timely manner, 48 trainees in the Construction Engineering Program will not be able to complete their course work, and an annual intake of approximately 700 new trainees will no longer be possible.

## 2. Commodity Bridge

The textbooks (production, shipment, distribution) will be funded from monies currently in the pipeline with the contractor (UNO). The vaccines, supplies and cold chain equipment in support of EPI activities will not be able to be funded from HSSP resources because the cooperative agreement with MSH does not provide for such an activity. The Mission proposes to program \$1.85 million from our FY 94 \$2 million ESF allocation for a grant (through TSSP) to UNICEF for this specific purpose.

The health Commodity Bridge would provide a small amount of left over immunization commodities, basically "cold chain" equipment and syringes, from the HSSP. More importantly, we propose to provide a grant to UNICEF to allow them to keep operating the EPI program which is now supported under the HSSP; this includes over 100 immunization teams throughout the country and accounts for approximately 40% of all the immunizations given to children and women. The following would be purchased with funds granted to UNICEF: vaccines, syringes and cold chain equipment. Some funds would go for transportation and personnel support. The source of funds for this "bridge" will be FY94 ESF funds. The total amount of assistance to be provided would be approximately \$2.5 million (in supplies and grant funds). In detail, this would be broken down approximately as follows: vaccines \$1.4 million; personnel support \$350,000; equipment \$475,000, and transportation \$200,000.

We had earlier contemplated a deobligation from the HSSP and a reobligation of part of these funds into the TSSP for this specific purpose. However, given rescission requirements and the fact that the Bureau does not control deobligated funds, we determined to forego the deob-reob exercise and use the bulk of our FY 1994 OYB for the health commodity bridge.

For the education sector, two million textbooks will be printed during these final months of the project; 1.2 million grade 1-6 textbooks, 700,000 grade 7-8 textbooks and 100,000 grade 9-12 textbooks. The cost is estimated at \$1,600,000. Textbooks printed during January and February and the first two weeks in March would be distributed to the schools, depending on access and security, and those printed after 15 March and in April would be warehoused at selected provincial directorates inside Afghanistan. This activity will be financed from project funds.

Our reference in the Plan to "seek authority to expend most funds in grants, cooperative agreements and contracts to enable the Mission to complete an orderly close-out of all project assistance activities," refers to budget revisions likely to be necessary within contracts and CAs (generally reducing "Program" funds and reallocating these to "TA" and "Logistic Support" components) to enable our contractors and grantees to wind up their affairs in an orderly manner. It does not address claims and settlements which may arise from the early termination of contracts. The expenditures by the UN under our grant (from TSSP) in support of the Mine-Detection Dog Center and our proposed grant to UNICEF are treated separately, because these involve expenditures under the only project which will continue past the June 30, 1994 program close-out date.

### 3. Project financing

As of December 31, 1993 the Afghanistan program had a pipeline of \$30.6 million, not counting the AHR (McCollum) project.

TSSP (306-0200) had a \$4.3 million pipeline of which \$3.6 million relates to the grant to UNOCHA in support of the MDC. These latter monies will be expended through 2/96. The remainder pays for ongoing PSCs and our share of the Annex operations in Peshawar through June 1994.

ESSP (306-0202) had a \$4.9 million pipeline. The contractor (UNO) expects to have a balance of \$0.9 million by the PACD. Early contract termination claims are not included in this calculation.

HSSP (306-0203) had a \$7.4 million pipeline. However, MSH/Boston is far behind on reporting accruals and expenditures, which, according to the TA team's accountant, may exceed \$1.5 million. We expect to have an unspent balance of around \$3 million by June 30, 1994.

ASSP (306-0204) had a \$3.5 million pipeline. However, we do not have an estimate of second quarter expenditures from VITA, whose CA terminated on December 31, 1993. We estimate to have an unspent balance of about \$1 million by June 30, 1994.

CEP (306-0205) had a pipeline of \$4.2 million. The RONCO contract may have an unspent balance of \$1 million by June 30; the Nathan-Berger contract will have a negligible unspent balance; and the CCSC contract may have a \$2 million unspent balance by June 30.

PVO Support Project (306-0211) had a pipeline of \$5.1 million. Under it range expenditures through eight separate cooperative agreements with NGOs in health, education, agriculture and democratic initiatives. Four CAs extend through the third quarter of FY 1994 and four through the second quarter. We expect to have a \$2 million unspent balance by June 30.

HRD (306-0212) had a pipeline of \$1.3 million. We expect to have a negligible unspent balance by June 30, 1994.

Therefore, according to our estimates, we may have a total program pipeline for deobligation of approximately \$9 million by the PACD of June 30, 1994. Please note that this is a preliminary estimate. We plan to have considerably more reliable numbers o/a April 1, 1994.

#### 4. Commodity Disposition

We do not yet have a waiver for the Brooke Amendment, which would enable us to donate equipment to the GOA. Under these circumstances, for property inside Afghanistan, our first choice is donation to an Afghan NGO working in the area where the property is located. (We set forth this alternative in cable, 93-Islamabad 14631). Failing the donation option, we would have to abandon the property.

For property located in Pakistan, our preference is donation to a UN agency or to USAID-registered PVOs (please see 93-Islamabad 14631). Should we not succeed in donating the property, we will resort to auction. We have no real drop-dead date for obtaining a Brooke waiver, but obviously, would be able to respond far more effectively if we obtained the waiver early on. Whether Brooke is waived or not, our donating property would be greatly facilitated by the involvement of our grantees and contractors, who are rapidly drawing down their personnel. The task will be much more difficult when they are no longer on the scene.

The Mission intends to follow the same approach if there is a negative narcotics certification this year and we cannot provide assistance to Afghan government entities.

#### 5. Evaluation

The Afghan program documents that will be submitted in the project close-out package will vary from project to project but in general will include the Activity Approval Memorandum (AAM),

AAM amendments, evaluations, internal assessments, special project-related studies, assessments done by other donors, as well as major reports submitted by the grantees, technical assistance contractors, PACRs, and the final Purpose-Level Monitoring (PLM) report.

An overall program assessment may be of utility to the Agency but does not seem appropriate as a field task for a closing mission with dwindling staff. CDIE may wish to pursue such an effort with its own resources, however. Since we will endeavor to provide essential project documents, the overall program assessment could very well be done as a desk study in Washington.

#### 6. FY 1994 ESF

Please refer to Islamabad 000121 of January 5, 1994. In it we expressed our preference to program \$150,000 for unanticipated program close-out activities under TSSP and the remainder (\$1.850 million) for "health activities" -- the "commodity bridge". But mindful of Washington's interest in increasing support for demining activities, we requested a budget allowance of \$965,000 for "health activities" and sought guidance from Washington on programing the balance (\$885,000) of our FY 1994. Guidance was not provided.

We prefer to program \$1.85 million for the health sector commodity bridge, since donor funding for demining (\$6.8 million) already exceeds UNOCHA's request (\$6.7 million) under its Consolidated Winter Appeal for Afghanistan.

#### 7. Monitoring

Monitoring would be required for two activities extending beyond June 30, 1994: the \$3.6 million grant to UNOCHA in support of the MDC, and the proposed \$1.85 million health sector "commodity bridge" grant to UNICEF. These grants are to United Nations organizations which employ acceptable accountability standards in which we have confidence. Monitoring work will be minimal and will chiefly rely on periodic reports. Despite the Mission's or a third country's proximity to Afghanistan, real coordination would take place with the UN in New York. Therefore, some part of USAID/Washington (the Global Bureau or the geographic bureau) would be the most likely candidate for monitoring responsibility. The Project Officer for TSSP is scheduled to depart post this summer and it seems to make little sense to train someone here to monitor the activities until mid-1995, after which the monitoring responsibility would have to shift to Washington in any case, requiring someone else at USAID/Washington to be trained.

#### 8. Problem Areas

Protests and claims from contractors are likely to be limited to

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the UNO contract under ESSP. In fact, Dean Thomas Gouttierre, the Director of UNO's Center for Afghan Studies, in a January 14, 1994 letter to the Chief of the Office of Contracts and Commodities, indicated that "we understand these (close-out and demobilization) costs shall be negotiated and approved through a bilateral settlement agreement." We have no idea what the magnitude of a final settlement of a premature termination of a contract, for the convenience of the US Government, is likely to be. However, be mindful of the fact that we only expect a \$900,000 unspent balance to be available in this contract (and project) by the June 30, 1994 PACD.

There is an outstanding claim through RONCO for a cancelled procurement of telecommunication equipment which goes back to 1992. Responsibility for claims will be with the Chief of the Office of Contracts and Commodities (O/CC) who will monitor these claims until his departure from post, after which any unresolved matters will be transferred to USAID/Washington.

Finally, we still have no approval from Washington on the waiver of the Brooke Amendment or the special authority to donate equipment in the field. We had hoped to rely on our contractors and grantees to help with the "hand-off" of this equipment when approvals came in. But as time goes by we are losing more and more of those personnel, which will increase the management burden on reduced Mission staff when the approvals finally do come. We urge Washington to expedite the requested approvals.

#### 9. Personnel

Your concerns have been addressed and rectified in the revised Section VI A., "Organization and Staffing" (pp 19-20) and the revised Table C (p.23) in the Phase-Out Plan. As you can see from the corrected version of these sections, Afghan program-related FSN termination dates do not extend beyond FY 1994.

UNCLASSIFIED  
AGENCY FOR INT'L DEV.  
TELECOMMUNICATIONS CENTER

INCOMING  
TELEGRAM

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ACTION AID-00

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INFO OL-01 PPAR-01 AAG-01 HEAL-04 FHAA-01 PRFM-01 FABS-01  
ASSA-03 FABP-02 /017 A6 LW 05/132JZ  
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INFO LOG-00 CIAE-00 DODE-00 EB-00 NEA-00 TRSE-00 SA-00  
RPE-01 /005W

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TO SECSTATE WASHDC PRIORITY 2303

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AIDAC

FOR ANE/FPM JOAN SEGERSON AND ANE/SA/AF CAROL KIRANBAY

E. O. 12356: N/A  
SUBJECT: AFGHANISTAN - FY 94 OYB - PRIORITY FUNDING  
- REQUIREMENT

1. USAID FOR PAKISTAN AND AFGHANISTAN REQUESTS THAT A BUDGET ALLOWANCE FOR DOLS 965,000 IN ESF BE ESTABLISHED ASAP TO ENABLE US TO MAKE A CRITICAL CONTRIBUTION TO THE HEALTH COMPONENT OF THE UNITED NATIONS' WINTER APPEAL FOR AFGHANISTAN.

2. THE BUDGET ALLOWANCE IS FOR THE TECHNICAL SERVICES AND SUPPORT PROJECT (306-0200) FROM WHICH THE MISSION WOULD DRAW UP AN APPROPRIATE HANDBOOK 13 GRANT TO SUPPORT THE URGENT WINTER APPEAL HEALTH ACTIVITIES. TSSP IS THE ONE AFGHAN PROGRAM PROJECT WHICH WILL

EXTEND BEYOND THE SEPTEMBER 30, 1994. PROGRAM CLOSE-OUT TO CONTINUE USAID MONITORING OF THE RECENT GRANT IN SUPPORT OF THE MINE DOG CENTER.

3. THE NEED IS CRITICAL NOW. OUR HEALTH PROJECT IS IN THE FINAL STAGES OF CLOSE-OUT AND CANNOT RESPOND TO THE URGENT NEEDS OF THE RURAL CLINICS AS IN THE PAST. THE UN'S WINTER APPEAL PROVIDES US THE OPPORTUNITY TO RESPOND IN AN EFFECTIVE MANNER TO ENSURE CONTINUATION OF IMMEDIATE EPI AND ARI NEEDS DURING THE DIFFICULT WINTER MONTHS.

4. MISSION'S PREFERENCE WOULD BE TO PROGRAM THE BALANCE OF THE FY 94 \$2 MILLION OYB FOR HEALTH ACTIVITIES AS WELL -- MINUS UP TO \$150,000 FOR PROGRAM-WIDE CLOSE-OUT COSTS -- BUT IS MINDFUL OF WASHINGTON'S INTEREST IN INCREASING SUPPORT FOR DEMINING ACTIVITIES. MISSION WOULD BE GRATEFUL FOR GUIDANCE ON PROGRAMMING THE APPROXIMATE \$885,000 BALANCE OF THE FY 94 OYB. BUT OUR FIRST PRIORITY IS THE BUDGET ALLOWANCE REQUESTED IN PARA 1 ABOVE.

5. MISSION WOULD GREATLY APPRECIATE ANE/FPM'S PROMPT COORDINATION WITH OTHER CONCERNED OFFICES IN USAID/W TO HAVE THE BUDGET ALLOWANCE ESTABLISHED FOR US ON A PRIORITY BASIS. KUNSMAN

UNCLASSIFIED

MEMORANDUM

DATE: January 29, 1993

FROM: ANE/ASIA/PD, Barry MacDonald

SUBJECT: Afghanistan Close-Out Plan  
Results of Bureau Review Meeting

TO: DIR - Pakistan/Afghanistan, John Blackton

The Bureau level review of the plan was held as scheduled on Thursday, January 27th with wide participation from ANE as well as GC and the PPC, M and G bureaus. Due to a distribution problem, a number of key offices in M did not get the plan, so we are now trying to reach them and obtain any comments through a separate distribution. This memo is intended to summarize the meeting and will form the basis for a piece which will move through clearance to Larry Byrne for approval in his role of Agency Close-Out Coordinator. Note that this discussion does not represent approval since we do not have formal concurrence yet from all parties. There were also several questions raised where there is still need for additional information from the field.

1. Continuing activities. There was discussion on alternatives to the arrangement proposed of holding TSSP open as the vehicle to support the mine-dog grant and the grants/contracts needed to support FY 94 ESF actions. After some debate, it was agreed by those present, that the TSSP option, as presented, was the most reasonable.

There was discussion of the purpose and utility of the commodity bridges. Agreement was reached that they made sense from a humanitarian point of view and as a means of completing in the most useful manner possible our most successful activities in health and education.

State raised the question of the mix of FY 94 ESF funding between EPI and demining activities. The State rep. indicated that Robin Raphael, while recognizing the value of the EPI work, is also still interested in a portion of the funding being used in the demining program. It was agreed that this was not an issue for resolution at this meeting, but that both uses could be dealt with through the TSSP mechanism.

2. Accountability and management after the end of FY 94. There was general consensus that as long as there was substantial field presence in Pakistan, that it did not seem logical to move oversight of continuing activities back to AID/Washington. This

would only mean added cost without added value to the process. Similar arrangements involving other missions in support of close-out operations are being put into place - Philippines as a back-up for Suva as an example. While obviously, Pakistan at some point becomes unviable as a monitoring base, there is a sense that much of the needed work for the few Afghan continuing activities could be completed in Pakistan itself utilizing Pakistan personnel through at least March of 1995. A final comment on this from the field will be appreciated.

3. Schedule of portfolio close-out. All agreed that the proposed schedule is acceptable. There is a cushion between the 6/30/93 PACD for most projects and the end of FY 94. It was agreed that if, in the final analysis, there were unavoidable actions in some projects which would require extensions, such extensions would be acceptable if they did not exceed the end of FY 94.

4. Finance. The lack of need for additional financing and the lack of need for deob-reob actions were noted. The potential for approximately \$9 million in deobligations was noted. The Mission's request for flexibility in reprogramming within projects raised questions. Most grants or contracts make allowances for line item adjustments in budgets either on a percentage basis without amendment or through a formal amendment process. Moving funds between grants or contracts in the Afghan context would generally mean a deob/reob process. Given these circumstances, what is the nature of the flexibility which the mission seeks which it does not already have?

5. Evaluation. The Mission's approach was endorsed. We have already seen the communication between the field and CDIE on documenting the close-out and working on the transfer of records.

6. Local Currency. The Mission notes one PVO local currency account as being held open. The issue of local currency and how to dispose of it or deal with the issue has raised a great deal of comment and concern in general as the close-out process moves into gear. Please supply us with the details of the open account: the organization holding it, the nature of the agreement on use of the local currency, the current account balance, the length of time the account will remain open, and AID's monitoring/oversight responsibilities as provided in the agreement.

7. Participant Training. The plan notes one participant who may be held over because of medical problems. The plan states that, if need be, the participant would be transferred to PIET under an arrangement already confirmed by OIT. The OIT rep at the meeting seemed to be unaware of the specific mechanics agreed to. Can you provide any details from your end of the understanding reached on how this would work? Would we need deob/reob in order to deal with it? We recognize you have only one potential case, but there are of course many others in other missions and the details of how to handle the entire situation do not appear to have been worked out.

8. Operational Matters. As stated above, some of the actors who we needed to deal with these issues were not in attendance. On program funded commodities, the approach being pursued by the Mission was endorsed. There was a question raised as to whether there were any such commodities, obviously those located in Pakistan, which might be of use elsewhere in the world in ESF-funded programs. However, it was recognized that no mechanism was available to assist in making such a determination. Please comment on whether, among the program commodities located in Pakistan, you see those which are likely to be of use elsewhere and the pros/cons of identifying users and arranging to move commodities to such users. For those commodities transferred to NGO groups, international entities, or entities of the Afghan government, there is a generic concern related to the nature and period of AID's end use monitoring responsibilities. Does your work with the IG on monitoring issues shed any light on this issue?

This ends the summary. Your soonest response to those questions contained in it will be appreciated. We will keep you posted as we move through the process on this end.

To: barry macdonald@ASIA.PD@AIDW  
Cc: Carol Kiranbay@ASIA.SA@AIDW  
Michael Hauben@OPO@ISLAMABAD  
John Martin@DIR@ISLAMABAD  
John Blackton@DIR@ISLAMABAD  
Mark Ward@RLA@ISLAMABAD

Bcc:  
From: Muhammad Yaqub@OPO@ISLAMABAD  
Subject: Afghan Program Close-Out  
Date: Tuesday, February 1, 1994 5:03:55 EST  
Attach: A:Response

Certify: N  
Forwarded by:

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Barry -

Here are the responses to your recent questions. Please let us know if you need additional information/clarification.

Best regards.

SUPPLEMENTARY ANE BUREAU QUESTIONS RE. THE  
AFGHANISTAN PROGRAM CLOSE-OUT PLAN

Mission's responses to Barry Macdonald's e-mail of January 28, 1994 to John Blackton follow:

1. Continuing Activities

See responses to issues 2 and 4 below.

2. Accountability and Management after the end of FY 1994

Washington struck us as the most reasonable base of operations for post-Afghan Program close-out because that is where it will end up, once Pakistan closes out, and the remaining Pakistan staff will be more than fully engaged in the Pak close-out.

3. Schedule for Portfolio Close-Out

Mission appreciates the ANE Bureau's flexibility on the portfolio close-out timing. We are now in the process of extending the PACDs of the HRD project (306-0212) by one month, to July 30, 1994 and of the ESSP (306-0202) by three months, to September 30, 1994 to allow us to pay negotiated, routine home office administrative costs. This will simplify things greatly for us. No additional in-country project activities will take place after 4/30/94 and 6/30/94, respectively; this is exclusively to cover home-office contract closing-related actions. Please advise if we should fax replacement pages showing the corrected dates for any pages in the package already submitted.

4. Finance

The Mission does not seek any additional flexibility with regard to reprogramming funds within projects beyond that which we already have. However, if we are not able to exercise the EPI option as proposed (\$1.85 million grant to UNICEF from FY 94 OYB), we may require some deob-reob flexibility to reprogram funds from HSSP for that purpose, since the benefit of a health sector "commodity bridge" has been acknowledged by USAID/W.

5. Evaluation

No issues.

6. Local Currency

Beginning last summer, Mercy Corps International is holding

local currency proceeds generated inside Afghanistan from the sales of fertilizer and wheat seed. (MCI's cooperative agreement with the Mission, under the PVO Support Project (306-0211), expires at the end of April.) The sales are to be completed by April 1 and are expected to generate in excess of \$200,000 in local currency (Afghanis). The Mission is currently negotiating the terms of an agreement on uses of the local currencies with MCI. Our proposal, which we expect MCI to accept based on preliminary conversations, includes the following principal points:

- All sales to be completed by 4/1/94 (so that we can have an accurate accounting and agreement on uses before the cooperative agreement expires) and proceeds to be deposited into a separate account.
- Expenses of the fertilizer and wheat seed sale activity to be deducted from the proceeds.
- Net proceeds to be used, among other things, for extending MCI leases for one year, spare parts for MCI's agricultural machinery, short-term consultancies, administrative costs, and for inputs to agricultural development projects for Afghanistan with other donors, for which MCI has entered into an agreement by 4/1/94. Net proceeds not approved for such uses must be deposited into an endowment to pay non-administrative costs of other MCI agricultural development activities in Afghanistan. Endowment funds are to be credited to any other MCI-USG grant or cooperative agreement if the purpose of the endowment fails.

We would expect all local currencies (except those in the endowment) to be disbursed within one year. The agreement also requires MCI to keep books and records on the account for three years and to provide quarterly reports to the USAID Controller in Islamabad until further notice. We would anticipate that the Controller would transfer oversight of this activity to Washington when she departs in the summer of 1995.

#### 7. Participant Training

John Tucker (currently on home leave) negotiated this with OIT's Yvonne Hunt and Judy McKeever. We have an e-mail from Hunt to Tucker, dated November 30, 1993, which states:

"Subject participant's case will be transferred to PIET at the end of the HRD

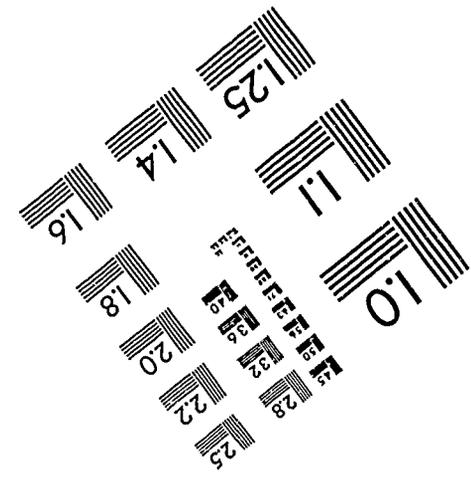
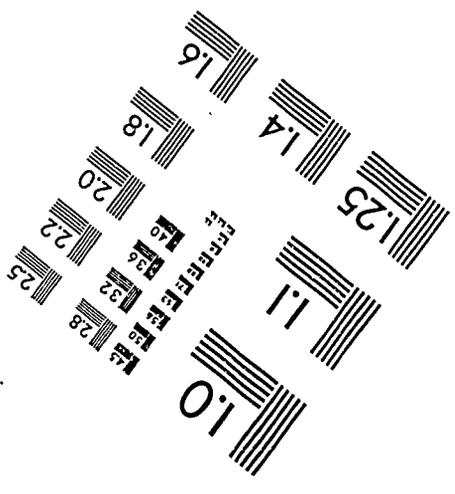
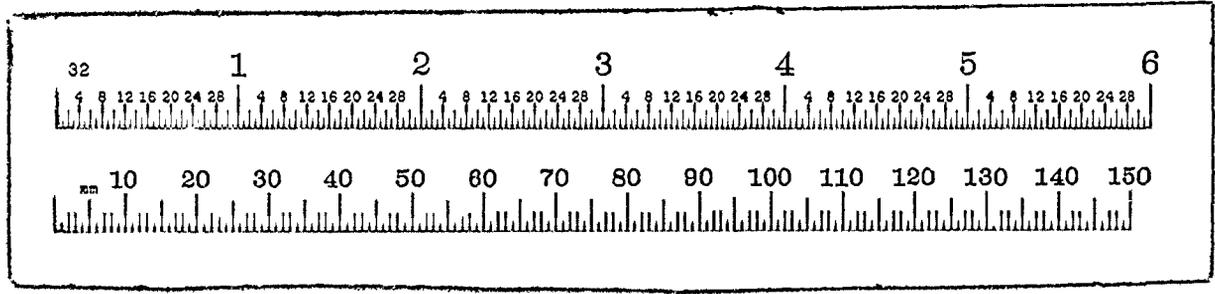
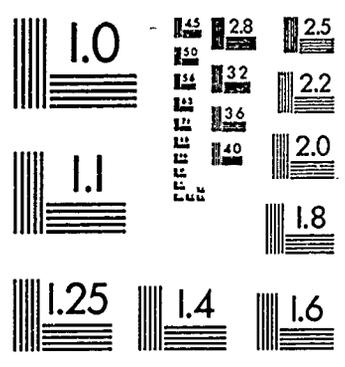
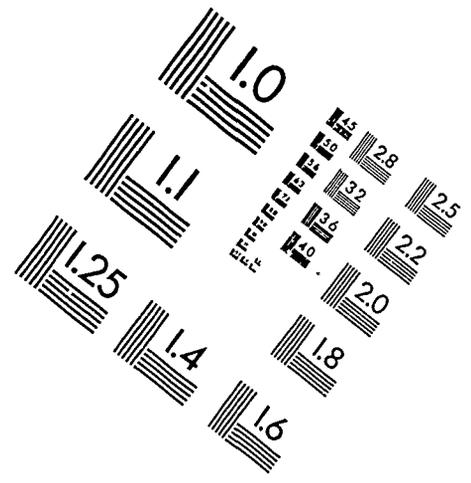
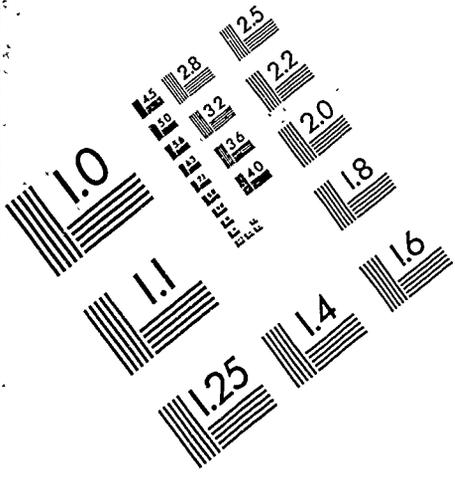
Project's (sic) end date of April 30, 1994. His transfer from AED to PIET without a break in training dates entitles him to continued coverage under the HAC Program. Therefore, his proposed surgery will be covered up to the usual, customary, and reasonable costs established within his community for the type of surgery he will be receiving."

8. Operational Matters

First, on the possibility of making some program-funded property located in Pakistan available to other Missions. We recommend that no used property be considered for transfer to other missions, but sold locally and the proceeds returned to Treasury. It is very likely that after donations are made to USAID-registered PVOs and UN agencies, we will have some useful property left. We intend to dispose of it pursuant to 6 FAM 227.3, so some of the new property may be made available to other USAID Missions. We cannot predict at this point the kinds and quantities of property which may be made available because, as you know, the donation process is still awaiting approval of the Action Memorandum invoking the notwithstanding authority to allow the Mission to make the donations.

Second, on IG concerns with regard to grants-in-aid to the GOA and donations to PVOs and UN agencies, inasmuch as we were anticipating a continuing program when we consulted with RIG Singapore last August on accountability issues, this question didn't arise. However, we would not expect any IG objection because the grants-in-aid and donations will be executed in accordance with formats prescribed in 6 FAM.

Clear: M. Hauben, OPO (draft)  
L. Martin, OFM (draft)  
D. Russell, OCC (draft)  
M. Ward, AFO (draft)  
J. Martin, (A)DDIR (draft)



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