

USAID
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**MEMORANDUM OF AGREEMENT
BETWEEN THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
AND
THE UNITED STATES INFORMATION AGENCY
TO TRANSFER FUNDS**

Pursuant to Section 632(a) of the Foreign Assistance Act of 1961, as amended (the "FAA"), the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996, Public Law 104-107 (the "1996 Appropriations Act"), the Support for East European Democracy Act of 1989, as amended, the United States Agency for International Development ("USAID") hereby agrees to transfer funds to the United States Information Agency ("USIA") in accordance with this Memorandum of Agreement.

I. AUTHORITY

This Memorandum of Agreement is entered into to provide for the transfer by USAID to USIA, under Section 632(a) of the FAA, of \$1,870,000 (One Million Eight Hundred And Seventy Thousand Dollars) in SEED Funds available under the 1996 Appropriations Act for assistance to Central and Eastern Europe. Funds allocated under this Memorandum of Agreement are available for obligation and expenditure for the purposes for which such funds were authorized, in accordance with authority granted in the FAA or under authority governing the activities of USIA.

II. PURPOSE

USIA will administer a small grants program to support strategies developed by the Democracy Commissions Small Grants Program in Eastern and Central Europe and the Baltic States.

III. TERMS AND CONDITIONS:

A. The transfer will be accomplished by means of a Nonexpenditure Transfer Authorization (Standard Form 1151).

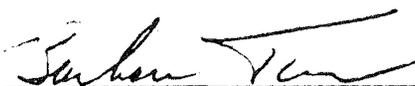
B. The United States Information Agency will administer the funds transferred under this Memorandum of Agreement in accordance with all applicable laws.

C. The United States Information Agency will ensure that funds will be expended in accordance with the country budget

levels in Attachment D.

D. The United States Information Agency shall be accountable for all funds transferred to it under this Memorandum of Agreement.

E. This Memorandum of Agreement is entered into on behalf of the United States Agency for International Development and the United States Information Agency by the undersigned duly authorized officials.



Barbara Turner
Deputy Assistant Administrator
Bureau for Europe and the New
Independent States
U.S. Agency for International
Development

Date

8/23/96



Henry Howard Jr.
Associate Director
Bureau for Management
U.S. Information Agency

Date

8/23/96

USAID Account Number 726/71010
USIA Account Number 676/70201

Clearance Page: FY96 USIA Section 632(a) Democracy Commission
Small Grants Program in Central and Eastern Europe Transfer,
\$1,870,000

Drafted

ENI/PD: BMcGrath [Signature] Date 8/29/96

USAID:

ENI/DG KStratos	<u>[Signature]</u>	Date	<u>8/20/96</u>
ENI/FS: TClarkson	<u>[Signature]</u>	Date	<u>8/5/96</u>
ENI/PCS: PMatheson	<u>P39M</u>	Date	<u>8/5/96</u>
ENI/PCS/B: KSimpson	<u>[Signature]</u>	Date	<u>8/20/96</u>
ENI/ECA/ST: MMamlouk	<u>[Signature]</u>	Date	<u>8/21/96</u>
FA/FM/FC: PKramer	<u>[Signature]</u>	Date	<u>8/20/96</u>
ENI/DG: MARIegalman	<u>[Signature]</u>	Date	<u>8/11/96</u>
GC/ENI: VMoore	<u>[Signature]</u>	Date	<u>8/20/96</u>

State:

S/EUR/C: MHurley [Signature] Date 8/5/96
MH

ACTION: appointment confirmed
INITIALS: [Signature]
DATE: 8/20/96



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ACTION MEMORANDUM FOR THE DEPUTY ASSISTANT ADMINISTRATOR, ENI

FROM: ENI/PD, Gloria D. Steele

SUBJECT: 632(a) Transfer of funds to the U.S. Information Agency for the Democracy Commission Small Grants Program in Central and Eastern Europe

Action Requested: You are requested to approve a transfer of \$1,870,000 (One Million Eight Hundred Seventy Thousand Dollars) in FY 1996 funds to the U.S. Information Agency (USIA), pursuant to Section 632(a) of the Foreign Assistance Act of 1961, as amended (FAA), and the Support for East European Democracy Act of 1989, as amended (the "SEED Act") to carry out the Democracy Commission Small Grants Program in Central and Eastern Europe.

Background: USAID has provided support for the development of democracy in the countries of Eastern Europe and the Baltic States since 1990. USAID efforts have resulted, either directly or indirectly, in the formation of new non-governmental organizations (NGOs) in the region which are attempting with limited resources to carry democratic reforms forward. There is an unfilled niche for small levels of grant funds to allow local initiatives to contribute to the promotion of democracy.

In FY 1994, USAID transferred \$2 million to USIA for the Democracy Commission Small Grants Program and agreed to a total program cost of \$3 million. In FY 1995, USAID transferred \$2.1 million to USIA for the Small Grants Program and agreed to increase the funding for the program to \$6.2 million.

Description: USIA will administer a small grants program to support the strategies developed by Democracy Commission Small Grants Program in Eastern and Central Europe and the Baltic States.

Management and Reporting:

USIA will administer a fund to support initiatives of local NGOs. Funding decisions will be made by the interagency Democracy Commission. The Democracy Commissions have developed funding priorities for the coming FY.

USIA will be responsible for ensuring proper management, implementation and oversight of activities funded under the allocation agreement in accordance with the SEED Act. This includes monitoring for compliance with statutes and regulations

for achievement of objectives; reporting on progress, including financial reporting, and evaluation findings; and compliance with audit requirements and follow-up on audit recommendations.

In addition, to facilitate coordination of efforts, and as agreed upon with the Democracy Commissions, reports describing the progress of these activities shall be prepared on a regular basis and copies distributed to each member of the Commission.

Congressional Notification: The Congressional Notification dated July 8, 1996, advised a FY 1996 obligation of \$1.87 million and covers this SEED-Funded activity. Furthermore, the CN for this program expired on July 23, 1996. USAID also submitted a Technical Notification which expired on August 17, 1996. This TN notified Congress that USAID invoked its notwithstanding authority with regard to funding which will be provided under the subject IAA to finance Democracy Commission grants for activities in Serbia.

Authority: The Assistant Administrator for ENI has authority to sign Section 632(a) agreements with other agencies. Pursuant to Delegation of Authority No. 300, dated April 23, 1994, as Deputy Assistant Administrator, you have been delegated authority to act as the alter ego of your principal.

Recommendation: That you sign the attached letter transmitting to USIA duplicate originals of the Memorandum of Agreement (MOA) to transfer a total of \$1,870,000 to USIA, pursuant to Section 632(a) of the FAA, for USIA's Democracy Commission Small Grants Program in Central and Eastern Europe. (After an authorized representative of USIA signs and returns the original MOAs, you will sign them and a signed original will be returned to USIA.)

USIA DEMOCRACY COMMISSION SMALL GRANTS PROGRAM
FISCAL YEAR 1996

COUNTRY LEVEL BREAKOUT

COUNTRY	FUNDING LEVEL	
ALBANIA	\$ 50,000	
BOSNIA	\$ 50,000	
BULGARIA	\$250,000	
CROATIA	\$100,000	
ESTONIA	\$100,000	(REGIONAL ACCOUNT)
HUNGARY	\$200,000	
LATVIA	\$220,000	
LITHUANIA	\$100,000	
MACEDONIA	\$100,000	
POLAND	\$350,000	
SERBIA/MONTENEGRO	\$200,000	(REGIONAL ACCOUNT)
SLOVAKIA	\$150,000	
TOTAL	\$ 1,870,000	

Attachments:

Tab A: Transmittal Letter
Tab B: Illustrative List of Statutory Provisions
Tab C: Memorandum of Agreement (two originals)
Tab D: Program Description & Budget