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

ASSISTANT  
ADMINISTRATOR

November 20, 1985

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR ASIA  
AND NEAR EAST

FROM: ANE/PD, Peter Bloom  
SUBJECT: Medical Assistance to Poland: Request for Grant  
Authorization

PROBLEM: The attached unsolicited proposal (TAB B) from the People-to-People Health Foundation, Inc. (Project HOPE) requests an Operational Program Grant (OPG) to provide medical supplies, equipment and training to maternal and/or child hospitals in Poland. Congress has earmarked \$4,000,000 for this purpose. Your approval is needed for granting Project HOPE \$4,000,000 in FY 1986 to undertake its three year program.

BACKGROUND: Project HOPE has been carrying out a teaching and training program in Poland at the American Childrens' Hospital in Krakow since 1974. In collaboration with the American Schools and Hospitals Abroad (ASHA), their efforts have been directed to the areas of medical education, medical equipment and supplies, and construction. Over the years, Project HOPE has established good working relations with Polish authorities and has experienced no difficulty in implementing its programs.

In Fiscal Year 1982, A.I.D. provided \$5,000,000 to Project HOPE to provide emergency medical assistance to Polish hospitals. Under this grant (181-0001), Project HOPE procured and delivered urgently needed drugs, pharmaceutical and hospital supplies, spare parts, and equipment to selected hospitals to alleviate a critical shortages of these items. According to a May 1985 evaluation of the program, this assistance helped reduce mortality rates among high risk groups, especially mothers and children. In addition, the evaluation recognized HOPE's conduct of commodity-related training seminars as superlative. Lastly, the evaluation noted that, over the life of the project, Project HOPE attracted an additional \$6,500,000 worth of gifts-in-kind for the program from private contributors. The attached proposal builds upon Project HOPE's experience in Poland.

DISCUSSION: In 1984, the Congress authorized another \$4,000,000 "for providing medical supplies to Poland through

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private and voluntary agencies" (P.L. 98-266). Project HOPE also anticipates obtaining at least an equivalent amount of contributions from private sources. In addition, the Government of Poland will continue to assure duty free entry of all commodities and to underwrite the costs of transportation and distribution within Poland, as well as travel, housing, and per diem for all HOPE personnel when visiting Poland.

The purpose of this follow-on assistance to Project HOPE is to provide basic and essential medical supplies, pharmaceuticals, equipment, and training (including limited training materials) to between sixteen and twenty-five maternal and child health hospitals or obstetrical and pediatric wards in Poland. Educational courses will be offered in conjunction with equipment and supplies provided under the program to assure their effective and efficient utilization.

Project HOPE will prepare an annual implementation plan, as well as a list of recipient institutions, to be submitted for approval by an A.I.D. project officer based in Washington. As the basis for preparing the plan and to facilitate assessment of the impact of the program, Project HOPE plans to gather baseline information from each recipient hospital.

On June 21, 1985, the PRC reviewed a draft proposal from Project HOPE and determined that the proposed grant was fundamentally sound. Slight modifications were made per the PRC's suggestions which are reflected fully in the final proposal (attached). Because no policy issues were identified by the PRC, it was recommended that further review by the Asia and Near East Project Advisory Committee (ANPAC) was unnecessary.

WAIVERS: To successfully implement this program, a source/origin waiver (per Handbook 1-B, 5b 4a(7)) is considered essential because Project HOPE feels it is imperative to procure selected commodities from A.I.D. Geographic Code 935 countries, as was done under the first Operational Program Grant. These commodities are ones which (a) cannot be shipped from the United States due to rules and regulations governing air and sea transportation of chemically active substances (for example, anaesthetic and medical sterilization gases contained in pressurized cylinders), or (b) must be purchased from European sources to assure interchangeability with existing equipment and systems. It should be noted, however, that all drugs financed by A.I.D. under this project will be procured in the United States.

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PROJECT AUTHORIZATION

Name of Entity: The People-to-People Health Foundation, Inc. (Project Hope) Name of Project: Poland/Project Hope OPG  
Number of Project: 181-0003

1. Pursuant to Public Law 98-266, I hereby authorize the Poland/Project Hope OPG Project ("the Project") for the People-to-People Health Foundation (commonly known as Project Hope) ("the Grantee") including planned obligations of not to exceed Four Million United States Dollars (\$4,000,000) in grant funds over a three-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. CYB/allotment process, to assist in financing the foreign exchange costs for the Project.

2. The project consists of support for the purchase, transportation and distribution of medical supplies for Poland.

3. The Project Grant Agreement which may be negotiated and executed by the Officer to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority shall be subject to the following essential terms and conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

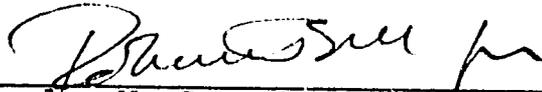
a. Goods and services financed by A.I.D., except for drug products and ocean shipping, shall have their source and origin in countries included in A.I.D. Geographic Code 935, except as A.I.D. may otherwise agree in writing. Non-drug pharmaceutical products manufactured outside the United States and financed by A.I.D. shall not infringe on U.S. patent rights. Exclusion of procurement from Free World countries other than the cooperating country and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.

b. Drug products financed by A.I.D. shall have their source and origin in the United States except as A.I.D. may otherwise agree in writing.

c. Ocean shipping financed by A.I.D. shall, except as A.I.D. may otherwise agree in writing, be only on flag vessels of the United States.

d. Suppliers of goods and services financed by A.I.D., other than drug products and ocean shipping, shall have their place of nationality in countries included in A.I.D. Geographic Code 935. Suppliers of drug products financed by A.I.D. shall have their place of nationality in the United States.

4. By authorizing this Grant, I hereby certify that exclusion of procurement from Free World countries other than those contained in AID Geographic code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.



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

November 20, 1985

Date

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JUSTIFICATION TO THE CONGRESS: Because this assistance to Poland has been mandated by the Congress and funding is earmarked for this purpose, no additional notification is required.

CLEARANCES OBTAINED: The Human Rights Working Group reviewed and approved this project on August 20, 1985.

RECOMMENDATIONS: That you sign the attached Authorization (Tab A), thereby approving a grant of \$4,000,000 in FY 1986 to Project HOPE to enable it to carry out its program of providing medical commodities and related assistance to maternal and child health institutions in Poland. It is further recommended that you agree to the procurement of selected items of medical equipment and pharmaceutical supplies from A.I.D. Geographic Code 935 countries per Section 5B4 of A.I.D. Handbook 1B under which you have, inter alia, the authority to authorize procurement from countries included in A.I.D. Geographic Code 935, provided that the total value of the procurements thereby affected does not exceed \$5 million.

Attachments:

- A. Project Authorization
- B. Project HOPE Proposal

Clearances:

DAA/ANE:R. Bell RHB Date 11/20/85  
ANE/TR:K. Sherper (draft) Date 11/7/85  
ANE/TR/HPN:C. Johnson(draft) Date 11/7/85  
ANE/PD:R. Venezia (draft) Date 11/15/85  
ANE/DP:B. Sidman / Date 11/8/85  
GC/ANE:R. Johnson (draft) Date 11/18/85  
ANE/MENA:M. Sterne (draft)  
PPC/PB:J. Pielemeier(draft) Date 11/8/85  
EUR/EE:B. Griffith (draft) Date 11/15/85  
ANE/PD: M.Sinding (draft) Date 11/18/85

ANE/TR/HPN: MS Studzinski:ANE/PD/ME DNE MS Sinding:sbh:11/15/85:#1857G

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