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

MAY 1 1986

ACTION MEMORANDUM FOR THE ASSISTANT ADMINSTRATOR, ANE

FILE

FROM: ANE/PD, Peter Bloom

SUBJECT: LEBANON - Lebanon Relief Assistance (268-0342)

Problem: Your approval is required to increase life of project funding for the subject project by \$10,302,000 for a new total of \$20,302,000 and to extend the project assistance completion date from December 31, 1986 to December 31, 1988.

Background: In response to continuing civil strife in Lebanon, the Relief Assistance Project was initiated in 1983 to enable A.I.D. to respond quickly to the emergency, humanitarian needs of groups displaced by the continuing conflict. The project was authorized in FY 1983 at a level of \$5 million which was granted to international organizations and U.S. private voluntary organizations (PVOs) then working in the country. These funds provided short-term assistance in the form of medicines and other medical supplies, food, clothing, bedding, and kitchen appliances. In addition, several U.S. and Lebanese PVOs (including Save the Children, Catholic Relief Services, World Rehabilitation Fund, and YMCA/Lebanon) received grants to initiate their own emergency relief and rehabilitation activities.

In response to increased fighting in the Lebanese mountains and the southern suburbs of Beirut during the summer of 1983, the authorized level of funding for the project was increased to \$10 million in FY 1984. To date, \$9,672,000 has been obligated. These funds have benefited a variety of sectarian groups throughout the country.

In the past, A.I.D. sought to relieve the hardships of those most affected by civil strife and to assist the Government of Lebanon's own rehabilitation and reconstruction efforts by funding a variety of government and non-government organizations involved in relief, rehabilitation, reconstruction and development efforts. During Lebanon Program Week in January 1986, it was agreed that A.I.D. would emphasize relief and rehabilitation, in recognition of the continuing civil strife in Lebanon and the difficulties the Government has encountered in its efforts to rebuild.

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Discussion: Sectarian fighting continued in Lebanon during 1985. East and West Beirut experienced shelling, sniper fire, and bombings, in particular in the southern suburbs and the Chouf; attempts to open the Green Line permanently have been in vain. Fighting was also intense at various times during the year in the south around Sidon and Jezzine and in the north around Tripoli. As a consequence of the worsening situation, the Lebanese economy has weakened seriously, and the Government is functioning at only a minimal level.

As a result of these events, there is a growing number of displaced families and injured people. The United States continues to be committed to alleviating suffering and to helping those whose homes and businesses have been damaged or destroyed to re-build. Our assistance program, however, is severely constrained by the security situation in Lebanon which prevents U.S. staff from travelling freely or meeting regularly with counterpart staff. As a consequence, we are increasingly dependent upon PVOs which continue to function relatively effectively despite difficult circumstances and now implement the greatest part of U.S.-supported assistance efforts in Lebanon. At present, A.I.D. supports PVO activities which include services for the handicapped, small-scale credit assistance for entrepreneurs, and vocational training for unemployed young people, as well as more generalized emergency relief.

Several PVOs submitted proposals to continue their relief and rehabilitation efforts in Lebanon, utilizing a share of remaining funds from the 1983 Supplemental Appropriation for Lebanon. Among them are Save the Children (SCF), Catholic Relief Services (CRS), and YMCA/Lebanon. SCF has proposed a grant of \$5.5 million which would enable it to provide small-scale enterprise credit (\$3.4 million) and to increase its support for a network of regional health centers which provide preventive as well as curative services (\$1.1 million), as well as continue its successful emergency program (\$1.0 million). CRS has requested a grant of \$1.5 million to continue its emergency intervention program in support of displaced families. Finally, YMCA/L has asked for another \$3.0 million in support of its vocational training program to prepare young people for jobs in the building trades.

During Lebanon Program Week, it was agreed that the best way to proceed was to provide overall grants to these PVOs so that they could design and implement relief and rehabilitation activities over a one-to-two year period. Rather than seek AID approval of specific undertakings in advance, the PVOs will be

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requested to periodically reassess the immediate relief needs of the Lebanese people and communicate their findings and financing requirements to USAID/Lebanon. The Mission will review and approve specific activities, as well as monitor their implementation. The Mission will be assisted by one or more personal services contractors to be financed under the Relief and Rehabilitation Project (268-0327) for which modest additional funding is planned this year.

Funding for these PVO activities will come from two sources: \$1,380,000 of FY 1986 ESF grant funds and the balance of \$9,250,000 from the 1983 Supplemental Appropriation for Lebanon. Funds will be obligated by amending current PVO grants.

Waivers: SCF's proposal includes the purchase of eight vehicles as follows: three general purpose vehicles to be used in connection with implementation of the small-scale enterprise credit activity and five outreach vehicles for the health centers. Because of the non-availability of spare parts for American-made vehicles as well as the difficulty of making reliable servicing arrangements for American-made vehicles under current conditions in Lebanon, the Mission recommends approval of SCF's plan to purchase Japanese vehicles. The total estimated value of the vehicles is \$68,000.

You are therefore requested to waive the requirements of Section 636(i) of the Foreign Assistance Act and to waive source/origin requirements from AID Geographic Code 000 (U.S. only) to AID Geographic Code 935 (Special Free World) to permit the procurement by SCF of eight general purpose and outreach vehicles, all to be procured from Japan. In approving this waiver request, you will be certifying that exclusion of procurement from Free World countries other than the cooperating country and Geographic Code 941 countries would seriously impede attainment of U.S. foreign policy objectives and the objectives of the Foreign Assistance Program.

Justification to Congress: An Advice of Program Change notifying Congress of A.I.D.'s intent to increase life of project funding and to obligate up to \$10,630,000 in FY 1986 is in process.

Recommendation: It is recommended that you:

- (1) sign the attached authorization amendment, thereby increasing life of project funding by \$10,302,000 for a new total of \$20,302,000 and approving a waiver to purchase non-U.S. vehicles; and

(2) approve an extension of the project assistance completion date from December 31, 1986 to December 31, 1988 by signing below.

APPROVED Chas. W. Green

DISAPPROVED _____

DATE 7/14/86

Attachments: a/s

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

PROJECT AUTHORIZATION AMENDMENT

Name of Country: Lebanon

Name of Project: Lebanon Relief
Assistance

Project Number: 268-0342

1. Pursuant to Part II, Chapter 4, Section 531 of the Foreign Assistance Act of 1961, as amended, the amount of \$10,000,000 was previously authorized for the Relief Assistance Project. The authorization is hereby amended to authorize additional funding of not to exceed \$10,302,000 in grant funds for a new life-of-project total of \$20,302,000, subject to availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs of the Project.

2. Waivers

I hereby:

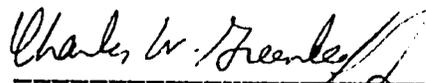
a. approve a waiver from A.I.D. Geographic Code 000 (U.S. only) to A.I.D. Geographic Code 935 (Special Free World) for the procurement of eight general purpose and outreach vehicles, and related spare parts, for this Project;

b. find that special circumstances exist to waive, and do hereby waive, the requirements of Section 636(i) of the Act; and

c. certify that exclusion of procurement from Free World countries other than the Cooperating Country and countries included in Geographic Code 941 would seriously impede attainment of U.S. foreign policy objectives and the objectives of the foreign assistance program.

3. Grant amendments may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority.

4. Except as previously and hereby amended, the Project Authorization dated October 18, 1983 shall remain in effect.



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