

PDCBK149

Agency for International Development
Washington, D.C. 20523

AUG -9 1991

ACTION MEMORANDUM FOR THE DEPUTY ASSISTANT ADMINISTRATOR (NE),
BUREAU FOR EUROPE AND THE NEAR EAST

FROM: NE/PD, Satish P. Shah *Shah*

SUBJECT: Palestinian-Israeli Cooperation Program (398-0378)

ACTION: To authorize a new \$100,000 pilot project of grant assistance to Palestinian and Israeli organizations for the purpose of resolving mutual problems, promoting mutual understanding, and strengthening cooperation.

BACKGROUND: The concept of Palestinian-Israeli cooperation in resolving mutual problems is strongly supported by Congress. Earlier this year, A.I.D. and State/NEA were approached by several interest groups seeking AID support for joint activities. Furthermore, the Committee Report accompanying the Senate's FY 1991 Appropriation, inter alia, --

"encourages A.I.D. to make available under the worldwide Democratic Initiatives Program not less than \$350,000 to private voluntary organizations in Israel and the West Bank and Gaza for educational, cultural, and humanitarian purposes involving both Israeli and Palestinian citizens...to strengthen contact and mutual understanding."

Earlier correspondence from Representative Hamilton, Chairman of the House Committee on Foreign Affairs, endorsed similar assistance AID-financed PVO assistance "...to bring Palestinian and Israeli citizens together and promote mutual understanding and strengthen contacts." A similar letter was received from Representative McHugh. A.I.D. responded that it would consult with State and field posts, and the subsequent consultations were encouraging. \$100,000 of FY 91 DPI funding is now being made available for this project, separate from the West Bank/Gaza program.

ISSUES: Unpredictability: Such support is highly politically charged, and great care will have to be used in identifying joint programs appropriate for A.I.D. support. Visible A.I.D. support, even for deserving activities, can sometimes be counter-productive. Because of these sensitivities, responsibility for selection of grantees, signing of grants, and project implementation is being assumed by the Consulate General in Jerusalem and the U.S. Embassy in Tel Aviv. Delegations of authority for grant signing will be prepared, following your approval of this authorization.

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Staffing: Both in selection and in subsequent project management and oversight, such assistance will be very labor intensive. This will entail experience and training in conflict management. If the program is extended on the basis of additional funding in FY 1992, contract support services will probably be required to assist ConGen and AmEmbassy for both Washington and Jerusalem, in order to assure technical review, monitoring, and coordination.

Start Small: Taking the above issues into account, it was agreed with State that any support should proceed cautiously and entail only modest financial assistance (maximum \$25,000 per activity). This will provide the opportunity to assess political and programmatic impact of this pilot project.

DPI Requirements: For FY 1991, \$100,000 is available from DPI. The objective of the DPI program is to promote "domestic political and legal development." It is important to note that DPI is funded under the DA account, which will require all grants to be concluded by 30 September 1991. Since the field posts have already identified several viable candidates for grants, there is a good chance that these funds can be fully obligated.

Another Funding Source for FY 92: Anticipating that the most likely activities are likely to be more political, educational and humanitarian than developmental, entailing application of different selection criteria, the proposed program should not be confused with or divert resources from the activities financed by A.I.D. under its West Bank and Gaza program (398-0159). The availability of initial funding (\$100,000) from the FY 91 Democratic Pluralism Initiatives (DPI) program seems to offer the best opportunity for launching activities this fiscal year. However, in order to broaden the scope of activities beyond purely political and legal development, an alternative funding source for FY 1992 will have to be identified.

Very Tight 'Window' of Opportunity: The Congressional Notification cannot be sent to the Hill until the first week of September, leaving the final week of September for signing the grants. This will place a heavy burden on ConGen/Jerusalem AmEmbassy/Tel Aviv to identify and prepare grants well in advance of the final week of September.

DISCUSSION: ConGen/Jerusalem and AmEmbassy/Tel Aviv responded very positively to the proposed assistance program, and have already identified a number of activities which would qualify for DPI support. Examples include the following:

- (1) \$15,000-\$25,000 to Hotline, enabling this joint Palestinian-Israeli-directed and staffed organization to open offices experimentally in Ramallah and Bethlehem and thereby assist Palestinians to report human rights violations;

(2) \$15,000-\$25,000 to the Israeli-Palestinian Center for Research and Information to finance round table and workshop meetings of water experts, evaluate water plans, collect data on current water conditions, and formulate options for resolving water use and other causes of conflict;

(3) \$15,000-\$25,000 to the Workers' Hotline for Protection of Workers' Rights, to expand computer facilities and legal staffing and thereby increase legal aid to Palestinian workers and to lobby the Knesset to change discriminatory laws; and

(4) \$15,000-\$25,000 to B'TSelem, to finance additional field work by its Israeli and Palestinian staff in investigating and reporting human rights abuses and promoting greater respect for such in both communities.

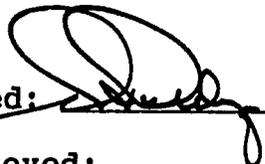
While ConGen and AmEmbassy will have delegated responsibility for these grants, they have indicated their intention to consult with the A.I.D. Representative.

JUSTIFICATION TO CONGRESS: A Congressional Notification is being prepared for clearance, but cannot go to the Hill until early September. Funds will not be obligated until the CN has expired without objection.

RECOMMENDATION: That, by signing below and the attached Authorization, you --

(a) approve the Palestinian Israeli Cooperation Program for a two-year period and initial funding of \$100,000 (under the FY 1991 DA account); and

(b) authorize the joint Congen/Amembassy/AID Rep Committee to make individual grants up to but not exceeding \$25,000.

Approved: 
Disapproved: _____
Date: 8/9/91

Attachment: Project Authorization

Clearances:

NE/PD:PSMatheson [draft] NE/DP:LRogers *for LR MAJ.*
NE/MENA:VMoldrem [draft] GC/ENE:HMorris *WMA*
NE/MENA:WJMcKinney [draft] NE/DR:KLoken [draft]
NE/DR:JFlynn [per SPShah] NE/DR:WCole [draft]
STATE/NEA/IAI:KStewart *KW*

[ENE/PD/MNE:BWickland:8.VII.91:doc.88d]

PROJECT AUTHORIZATION

Name of Country: Regional

Name of Project: Palestinian-Israeli Cooperation Program

Number of Project: 398-0378

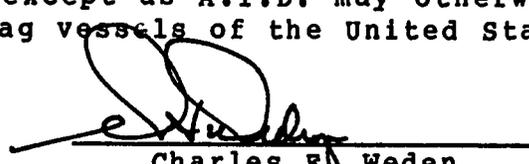
1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Palestinian Israeli Cooperation Program for the West Bank and Gaza, involving planned obligations of \$100,000 in grant funds subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the program is through 30 September 1993.

2. This program will support activities of certain Palestinian and Israeli organizations operating in the West Bank and Gaza, concerned with political and legal development through resolving mutual problems, promoting mutual understanding, and strengthening cooperation between the Israeli and Palestinian Peoples.

3. The grant agreements which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following terms and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

4. Source and Origin of Commodities and Nationality of Services:

Commodities financed by A.I.D. under the project shall have their source and origin in the West Bank and Gaza, Israel, or in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the West Bank and Gaza, Israel, or the United States as their place of nationality. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.



Charles F. Weden
Deputy Assistant Administrator (NE)
Bureau for Europe and the Near East

8/9/91
Date

Clearances:

NE/PD:SPShah
NE/DR:JFlynn
NE/DP:LRogers
NE/MENA:VMolldrem
GC/NE:HMorris

for Date: 8/6/91
for JF Date: 8/8/91
for LR Date: 8/8/91
for VM Date: 8/8/91
for HM Date: 8/8/91