

**MERGER OF  
U. S. HUMANITARIAN ASSISTANCE PROGRAM FOR AFGHANISTAN  
WITH USAID MISSION IN PAKISTAN**

**Background**

The United States Humanitarian Assistance Program for Afghanistan (commonly known as the AID/REP Mission) was established in 1985. Because of the hostile situation in Afghanistan, the AID/REP Mission was based in Pakistan from where it directed its operations across the border in Afghanistan. Its location in Pakistan was considered temporary in nature, with the objective of moving its operations to Afghanistan when circumstances permitted.

The AID/REP Mission, headed by an A.I.D. Representative, consists of an (1) Office of Program, (2) Office of Commodities, (3) Office of Health Education, (4) Office of Agriculture, and (5) Office of Health. It is assisted by a Regional Affairs Office in Peshawar, and a small regional office in Quetta. The AID/REP staff consists of 15 USDH, 20 USPSC, and 39 FSN and TCN employees. Its programs are implemented by about half a dozen contractors including RONCO Consulting Corporation, Construction Control Services Corporation, Development Alternatives, Inc., University of Nebraska, and Volunteers in Technical Assistance. This contract group has a total staff of 31 U.S. national and 6 third country national employees in Pakistan. [Source: "AID Representative Office, Afghanistan Humanitarian Assistance Program Staffing Pattern as of 01/01/93" published by Personnel Office, USAID/Islamabad.]

Since its inception, the AID/REP Mission has received full range of administrative and general services support from USAID/Pakistan and the American Embassy. The AID/REP, of course, pays for the Embassy provided support services, like any other USAID Mission, under the Department of State FAAS arrangement. The AID/REP Mission also receives support from USAID/Pakistan in the areas of contracting and financial management; however, the cost of this support is offset by one USDH and two foreign national PSC employees provided by the AID/REP in each of these two areas.

In early January 1993, AID/Washington designated Mr. John Blackton as A.I.D. Representative to head the AID/REP Mission in addition to his responsibilities as the Director of the USAID/Pakistan Mission. Shortly after assuming the A.I.D. Representative responsibilities, Mr. Blackton indicated his desire to merge the AID/REP functions and resources, except appropriated funds, to the extent practical, with those of USAID/Pakistan.

**Purpose**

The purpose of this paper is to (a) define categories of functions and resources that are combined or can be combined between the two Missions, (b) determine actions necessary to effect the merger, (c) determine any effect that this proposed merger will have on USAID/Pakistan's capability and resources, and (d) establish procedures to recover the cost of support services provided by USAID, or to be provided by USAID, to the AID/REP Mission.

### Assumptions

1. The AID/REP Mission will continue to maintain its identity as a separate U.S. economic assistance mission.
2. AID/Washington will continue to provide appropriated operating expense funds separately for both missions.
3. The support services provided by USAID to AID/REP will be controlled and supervised by the USAID Executive Officer, USAID Controller, and the Chief of Office of Contracts and Commodities.
4. The merger of resources will be of a temporary nature and that the AID/REP Mission will retain its capability to become a fully functioning USAID Mission inside Afghanistan.
5. The AID/REP employees, currently located in the American Embassy building in Islamabad, will move to the USAID Building.
6. The USAID Liaison Office in Peshawar will be relocated in the AID/REP compound.
8. The AID/REP [FSN and TCN] employees will continued to be paid out of AID/REP operating expense and program funds.

### Categories of Support Services

The broad categories of support services presently provided by USAID/Pakistan to AID/REP Mission are as follows:

#### I. FINANCIAL MANAGEMENT

- A. Budgeting
- B. Voucher examining
- C. Reserving and obligating funds
- D. Processing payroll
- E. Maintaining time and attendance and leave records
- F. Providing accommodation exchange

#### II. CONTRACTS MANAGEMENT

- A. Issuing RFPs
- B. Receiving and evaluating proposals
- C. Executing contracts

#### III. ADMINISTRATIVE MANAGEMENT

- A. Regulations and directives management
- B. U.S. personnel management
- C. Foreign national personnel management
- D. Travel services
- E. General services (shipping, employee services, vehicular transportation, and warehousing)
- F. Communications and records \*
- G. Procurement
- H. Property leasing
- I. Property maintenance
- J. Automated data processing

### Discussion

#### I. FINANCIAL MANAGEMENT

The AID/REP has provided a USDH Controller and two FSN PSC Accountants who work in the Office of Financial Management under the supervision of the USAID/Pakistan Controller. According to a

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The AID/REP has provided a USDH Controller and two FSN PSC Accountants who work in the Office of Financial Management under the supervision of the USAID/Pakistan Controller. According to a

conservative estimate, approximately six person-years of support by USAID accountants, voucher examiners, cashiers and financial analysts is devoted to service and maintain AID/REP accounts.

In FY 1992, USAID obtained a reimbursement from AID/REP on the basis of approximate percentage of time devoted by each O/FM employee to perform AID/REP work.

The AID/REP Controller and his staff prepare and manage program and operating expense budgets for their Mission. For FY 93 the AID/REP Controller requested \$1,352,400 for the following line items in the AID/REP operating expense budget:

<u>Expense Category</u>	<u>Func Code</u>	<u>Amount Budgeted</u> (\$000)
U.S. direct hire	U100	368.8
F.N. direct hire	U200	34.4
Contract personnel	U300	160.7
Housing	U400	381.7
Office operations	U500	330.2
NXP procurement	U600	128.7
TOTAL OE COST		1,404.5
Less FAAS		-52.1
TOTAL OE BUDGET REQUEST		1,352.4

[Source: Annual Budget Submission FY-1994 - Afghanistan - June 1992].

The AID/REP Controller is revising this budget estimate to conform with the slightly reduced amount approved by AID/Washington. When the revised OE budget estimate is approved by AID/Washington, the AID/REP Controller and his staff will continue to manage this budget. At the same time, the USAID Controller and O/FM staff will continue to provide fiscal management support in the area of voucher examination and reservation and obligation of funds.

Suggested costing mechanism:

**Voucher examining:** Count of vouchers processed as percentage of the whole used to determine share of voucher examination section salaries, benefits and overhead.

**Reservation/Oblig:** Count of reservations and obligations logged as percentage of the whole used to determine share of accounting section salaries, benefits and overhead.

Merger effect:

None, as O/FM is already performing, with the presently assigned staff and equipment resources, voucher examining and reservation and obligation work related to financial management of AID/REP and its direct contractors.

## II. CONTRACTS MANAGEMENT

The AID/REP has provided a USDH Contracting Officer and two FSN PSC employees who work in O/CC under the supervision and guidance of the USAID/Pakistan Chief of the Office of Contracts and Commodities. According to a conservative estimate, nearly two person-years of support by USAID contract specialists and other Contracts Office staff are devoted to developing and soliciting RFPs and to contract management and administration.

### Suggested costing mechanism:

Contracts mgmt: Count of RFPs issued, proposals received and evaluated, and contracts issued, to be used to determine share of Contracts Division staff salaries, benefits and overhead.

### Merger Effect:

None, as the Contracts Division is already providing, with the present staff and equipment resources, contracts management support to AID/REP.

## III. ADMINISTRATIVE MANAGEMENT

### A. Regulations and Directives Management

This is a core function of USAID/Pakistan Mission, and there is no extra cost to extend the USAID/Pakistan regulations and directives to AID/REP Mission. Therefore, no charge is made to AID/REP for this functional support.

### B. U.S. Personnel Management

The USAID Personnel Office provides complete range of personnel management services for 15 USDH and 20 USPSC employees of the AID/REP Mission, and to 31 U.S. and 6 TCN employees of the institutional contractors working on AID/REP programs and projects in Pakistan. The functions of support in this area include:

1. Preparation and processing of SPARs
2. Processing of SF-1190 applications for allowances:
  - a. Education allowance
  - b. Separate maintenance allowance
  - c. Subsistence allowance
  - d. Relocation allowance
  - e. Transfer allowance
  - f. Per diem allowance
3. Check in and check out of U.S. personnel
4. Handling Dependent Employment Committee announcements and processing applications for employment
5. Maintaining personnel folders

### Suggested Costing mechanism:

Count of SPARs prepared, SF-1190s processed, R&R/ educational travel requests processed, check-in/ check-out papers distributed, and Dependent Employ-

ment Committee announcements handled, to be used to determine share of the cost of salaries, benefits and overhead for the Personnel Specialist and one-half of the cost of salaries, benefits and overhead for the File Clerk.

Merger Effect:

None, as the Personnel Office is already performing this function with the present staff and resources.

C. Foreign National Personnel Management

The USAID Personnel Office provides complete range of personnel management services for 39 FNPSC and TCN employees of the AID/REP Mission. The functions of support in this area include:

1. Position classification
2. Position vacancy announcement
3. Medical health claims processing
4. Salary adjustments
5. Periodic step increases
6. Personal services contracting
7. Severance pay computation
8. Provident fund management
9. Employee career development
10. Incentive awards

Suggested costing mechanism:

Count of positions classified, position vacancy announcements issued, and medical health claims processed, to be used to determine share of cost of salaries, benefits, and overhead for Personnel Specialist, three Personnel Assistants, and one secretary, plus one-half of the cost of salary, benefits and overhead for the File Clerk.

Merger effect:

None, as the Personnel Office is already performing this function with the present staff and resources.

D. Travel services

The USAID Personnel Office provides support in this area to AID/REP personnel. The functions of support in this area include processing of documents relating to:

1. Educational travel
2. Medical evacuation travel
3. Emergency visitation travel
4. Home leave travel
5. Reassignment/transfer travel
6. R&R travel
7. TDY travel
8. Conference travel
10. Training travel
11. Staff house accommodation

Suggested costing mechanism

Count of TAs written, GTRs issued, visas and exit permits obtained, police registrations processed, hotel bookings made, and meet and greet services arranged, to be used to determine share of cost of salaries, benefits, and overhead for one Travel Assistant.

Merger Effect

None, as the USAID Travel Office is already performing this function.

E. General Services

1. Shipping

The General Services Office Shipping Unit provides shipping services to AID/REP USDH and USPSC staff members. The support services in this area include:

- a. Packing and crating
- b. Sea shipments
- c. Air shipments
- d. Customs clearance

Costing mechanism:

The USAID/Islamabad cost of labor and material is recovered at the rate of Rs 11 per pound of HHE or air shipment packed by USAID packing crew. On the basis of a memo received from GSO, the Controller recovers this cost from AID/REP OE through book transaction.

The USAID/Karachi labor and material cost for shipping AID/REP consignments is recovered through the USAID cost recovery system.

Merger effect:

None, as the GSO in Islamabad and the USAID Liaison Officer at Karachi are already performing this function with the present staff and resources.

2. Employee services

The GSO in Islamabad, and the Liaison Officer at Peshawar, help AID/REP USDH, PSC, and institutional contractor employees in the following personal services:

- a. Registration of personal vehicles
- b. Obtaining and renewing of driving permits
- c. Insurance of personal vehicles
- d. Payment of road tax on personal vehicles
- e. Obtaining gasoline tax refund from GOP
- f. Obtaining GOP permissions to sell personal vehicles

*in Islamabad*

g. Payment of utility bills

Suggested costing mechanism

Count of POVs registered, driver permits obtained or renewed, road tax paid, gas tax refunds processed, utility bills paid, and POV sale permissions obtained, may be used to determine share of staff salaries, benefits and overhead for 2 GSO employees in Islamabad and 1 LO employee in Peshawar.

Merger Effect

None, as the GSO and LO/Peshawar are already performing this function.

3. Transportation Services:

The GSO/Islamabad and the LO/Peshawar manage the scheduling, dispatching, and maintenance of all USAID vehicles, except the Director's vehicle, through a central motor pool at their respective posts.

The AID/REP has nine vehicles and nine chauffeurs (five OE- and four project-funded) in Islamabad and one OE-funded vehicle and chauffeur at Peshawar. Although these vehicles and chauffeurs are technically considered to be a part of the central USAID motor pool, the AID/REP officials control their operation and use them exclusively. The reason for this exclusive use is that the AID/REP offices are located in the Chancery building which is approximately two kilometers from the USAID Building where the central USAID motor pool is located.

After the AID/REP employees are relocated in the USAID Building, the AID/REP vehicles and chauffeurs should become a part of the USAID motor pool and operate under the control of the USAID Dispatcher who should be made responsible for their scheduling and dispatching.

One of the five AID/REP OE-funded vehicles was assigned to the AID Representative. Since the USAID/Pakistan Mission Director, who has been designated AID Representative, has a USAID/Pakistan OE-funded vehicle assigned to him, the AID/REP vehicle must operate as a part of the USAID motor pool. The AID regulations do not permit assignment of USAID vehicles to any official other than the Mission Director or AID Representative.

After the move of the AID/REP personnel to USAID Building, the cost of their to and from work transportation will reduce to 65 cents per trip instead of the one dollar per trip which they are paying now.

Costing mechanism:

1. For vehicle operation: Count of dispatch log entries to be used to determine share of salaries, benefits and overhead for

dispatchers and motor pool supervisor and clerk.

2. For vehicle maintenance: Work order system. Cost of labor and material being recovered through USAID cost recovery system.

Merger effect:

The AID/REP personnel will not have exclusive use of their vehicles and chauffeurs but will have to wait in line for the availability of motor pool transportation, and comply with USAID regulations on use of USAID vehicles for official purposes, personal purposes, and for field trips.

4. Warehousing

The GSO in Islamabad, and the USAID Liaison Officer at Peshawar, provide warehousing services for the AID/REP offices and personnel. The support services in this area include:

- a. Storage
- b. Receiving and inspection
- c. Property management

All non-expendable properties, whether they belong to USAID or to AID/REP are stocked as a pool in the warehouse. The GSO, however, maintains separate inventory records for each organization for two reasons. (1) AID/Washington requires each inventory to be reported to them separately. (2) The maintenance of separate inventory is necessary to identify properties when the AID/REP Mission decides to move into Afghanistan.

Expendable supplies, materials, and spare parts for household equipment and automobiles are procured with USAID operating expense funds and stocked in the warehouse. At the time of their use, their cost is recovered through work order system. In other words, the USAID acts as a retail outlet.

Costing mechanism:

Warehousing      Count of NXP volume used to determine share of warehouse staff salaries, benefits and overhead.

R&I                Count of reports filed and value reported used to determine share of R&I staff salaries, benefits and overhead.

Property Mgmt Count of overall value of property maintained to be used to determine share of property management staff salaries, benefits and overhead.

Merger Effect

7 None, as the GSO and the LO are already performing this function with their present staff and resources.

F. Communications and Records

The USAID C&R provides the following services to AID/REP offices, personnel, and their institutional contractors:

- ✓ 1. Printing
- ✓ 2. Mail distribution
- ✓ 3. Pouch service
- ✓ 4. Messenger service
- ✓ 5. Courier service
- ✓ 6. Unclassified records management
- ✓ 7. Telegraphic, fax, and teleprinter service
- ✓ 8. Telephone switchboard service
- ✓ 9. Subscription to newspapers and periodicals

Costing mechanism

- 1. Work order basis for reproduction job.
- 2. Number of persons serviced for other functions.

Merger effect

No additional position is necessary, as C&R is already providing this service to AID/REP and its contractors with the present staff resources.

The position of C&R Supervisor (Incumbent: Zulfiqar Hameed) in O/AID/REP may be abolished, as it will not be required in the merged C&R operation.

G. Procurement Services

The Procurement Division of the Office of Management procures vehicles, residential and office furniture, and residential and office equipment for the AID/REP Mission personnel and offices.

Costing mechanism

Count of number and value of local and offshore purchase orders, contracts, and line items may be used to determine share of Procurement Division staff salaries, benefits and overhead.

Merger effect

No additional position necessary, as the

Procurement Division is already providing this service to AID/REP with the present staff resources.

*Don't agree*

The position of GSO/Admin Assistant (Incumbent: A. Zia Hashmat) in O/AID/REP may be abolished as it will not be required in the merged Procurement Division operation.

H. Property Leasing

The Housing and Leasing Division of the Office of Management (H&LD) in Islamabad, and the Liaison Officer at Peshawar, manage lease contracts and guard services for residential houses and office space for the AID/REP Mission and their contractors. Number of properties on AID/REP OE funding = , and on AID/REP project funding .

Costing mechanism

Count of lease contracts may be used to determine share of leasing staff salaries, benefits and overhead.

Merger effect

None, as the H&LD and the LO/Peshawar are already providing this service to AID/REP with their present staff resources.

I. Property Maintenance

The Buildings Management Division in Islamabad and the Liaison Office at Peshawar provide leasehold maintenance and equipment maintenance service to the AID/REP Mission and its direct contractors.

Costing mechanism

Work order system. The cost of buildings and equipment maintenance and repair, which includes cost of labor and material, is recovered from AID/REP and its institutional contractors through USAID cost recovery system.

Merger effect

None, as the BMS and the LO/Peshawar provide this service to AID/REP and contractors with their staff resources.

J. ADP Services

The Automated Data Processing (ADP Division of the Office of Management manages all data processing equipment in the USAID Building. When the AID/REP staff moves into the USAID Building, the ADP proposes to connect their data processing equipment to the main frame and local area network (LAN) system. At this time, the ADP is aware of the proposed relocation of the following AID/REP employees to the USAID building. (1) Mohammad Yaqub, (2) M.D. Malik, (3) Sarrah Fasset, (4) Pat Zanella, and (5) Curt Wolters.

The first four employees have Wang PC equipment, which ADP confirms is compatible with the USAID ADP equipment. Curt Wolters has no PC. It will be necessary for ADP to install NIC cards on the AID/REP PC equipment in order for that equipment to be connected to the ADP LAN system.

Costing mechanism

Count of workstations may be used to determine share of ADP staff salaries, benefits, and overhead.

Merger effect

None.

K. Liaison Office/Peshawar

The Liaison Office is proposed to be moved to the AID/REP compound, where, it is understood, office space is available to be shared by USAID Liaison Office staff with the AID/REP staff.

Costing mechanism

The amount of square feet of office space occupied by each Mission may be used to determine the percentage of charge for cost of rent, utilities, and maintenance of the leasehold and installed equipment.

The number of telephone extensions provided to each Mission may be used to determine the percentage of charge for the cost of local and long distance telephone calls and actual amount of overseas calls.

Merger effect

None.

L. Liaison Office/Karachi

The Liaison Office Karachi provides support to AID/REP and its contractor in the area of clearance of shipments through customs and forwarding them to destinations.

Costing mechanism

Work order system. The cost of shipment support is recovered from AID/REP and its contractors through the USAID cost recovery system.

Merger effect

None, as the LO/Karachi is already providing this service with his staff resources.