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Activity Identification Memorandum (AIM)
PVO Co-Financing Project (306-0201)

Office of Afghan Affairs

January 1986

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AFGHANISTAN: Activity Identification Memorandum (AIM) - PVO
Co-Financing Project (306-0201)

I. Summary: This AIM outlines the five year, \$6 million PVO Co-Financing Project to be funded beginning in FY 1986. The project will serve as an umbrella mechanism under which a number of PVO sub-projects/activities can be directly funded by the A.I.D. Representative's Office (AID/Rep). The AID/Rep requests this AIM be reviewed and approved by AID/W asap. Using authorities assigned to him, the AID/Rep will subsequently approve the Activity Approval Memorandum (AAM) in the field. At this time, the AID/Rep does not expect additions being made to the AAM other than incorporation of appropriate comments/concerns expressed by Washington.

II. Background: Soon after the Soviet invasion of Afghanistan in December 1979, private voluntary organizations (PVOs) initiated humanitarian activities along the Pakistan-Afghan border. These activities had one objective -- to alleviate the suffering of the refugees that began crossing the border into Pakistan in increasing numbers. Since 1980, the refugee population in Pakistan has swollen to approximately 2.7 million. As the refugee population grew, the number of PVO activities proliferated without benefit of a coordinating body. The result was overlapping activities and a confused set of Pakistan Government and Afghan leaders who deal with such matters. Needless to say, not all PVO activities have met with perfect results. Nearly forty PVOs operate programs along the border areas of the NWFP, Tribal Areas and Baluchistan (see Annex I - List of PVOs). Several international PVOs

provide relief assistance within Afghanistan itself. Much of the humanitarian assistance in the "free areas" of Afghanistan is directed to the provision of emergency medical care, medical training, and primary health care. During 1984-85, limited education activities and cash for food programs were established (see Annex II - Brief History of On-Going Cross Border Activities).

To date, the U.S. has made \$8 million available for short-term humanitarian relief for war-affected Afghans in Afghanistan (see Annex III). This \$8 million has largely funded medical supplies, food aid, cash for food and medical projects. U.S., international, and Pakistani PVOs working within Pakistan and Afghanistan are implementing these projects.

III. Project Goal and Purpose: The project goal is to establish an umbrella mechanism which will coordinate the multi-disciplinary PVO activities financed by the U.S. Government. The purpose is to assist U.S. supported indigenous, European, and American PVOs in undertaking sub-projects beneficial to war-affected Afghans in free areas of Afghanistan. Support will be provided to a limited number of PVOs whose activities come within the priority areas of health, education, cash for food and agricultural production.

IV. Relationship of Project to A.I.D. Strategy for Cross Border Assistance (CBA): The purpose of CBA is to identify and implement ways and means of providing additional humanitarian assistance to

Afghans living in free areas of Afghanistan. The ultimate objectives of CBA are to encourage Afghans to remain in Afghanistan and to encourage the repatriation of Afghans to their homeland where the proper conditions exist or can be created. The PVO Co-Financing project will support the GOP and A.I.D.'s efforts to provide CBA to war-affected Afghans. As stated earlier, PVOs have been involved in CBA since 1980 (e.g., several European PVOs have set up clinics/hospitals in Afghanistan that treat war-wounded and/or ill Afghans). Funds to be provided through the long-term PVO Co-Financing project will allow continued implementation of on-going, successful PVO/CBA relief efforts and possibly expansion into other locales and/or other activities.

V. Description: This project will support an as yet undetermined number of PVO activities that fall within the following areas: health, education, agricultural production, cash for food and food itself. While proposals need not be limited to these areas, initial priority will be accorded to such activities. Nutrition, veterinary services, income generation/self help projects, and clothing are areas of potential future interest.

So as not to adverse effect PVOs currently receiving A.I.D. assistance for activities outside the preferred areas of focus, the PVO Co-Financing project may continue to support on-going sub-projects if they withstand reasonable, pragmatic evaluation.

VI. Selection/Eligibility: All PVOs receiving funds must be properly registered. As necessary, the AID/Rep will register a PVO in the field using guidance provided in the Spielman/Crandall memo dated October 14, 1985 (see Annex IV). Only PVOs with relevant experience and capacity will be encouraged to submit proposals for funding. In recognition of the fact that most international PVOs working with Afghans are located in Peshawar, an effort will be made to encourage on-going PVO activities in Pakistan to expand to Quetta and for new PVOs to establish themselves in Quetta.

All proposals will be coordinated through Pakistan Welfare International (PWI) which coordinates all humanitarian assistance proposals for war-affected Afghans. "Sensitive" proposals for A.I.D. funding will also be reviewed by the Ambassador's Afghan Group. This group meets regularly and consists of the Ambassador, DCM, AID/REP, Political Counselor, Regional Affairs Officer, Public Affairs Officer and the Counselor for Refugee Affairs. Once the AID/Rep has approved the proposal, the PVO itself will coordinate its activities with PWI. PWI will consider inter alia whether or not there is a demonstrable working relationship between the Seven-Party Alliance or a party thereof. Then a specific grant agreement will be signed by the AID/Rep and the PVO, outlining the financial commitment and terms, timing, condition, terms of disbursement, grant activities, etc.. A.I.D. funds to be utilized by PVO's will not pass through PWI, but will be disbursed directly by A.I.D. to the PVO, unless all parties agree that it is useful to

do otherwise. This helps to insure that the autonomy so important to all international PVOs is fully respected.

The specific selection criteria all proposals are required to meet to qualify for co-financing include:

- o the PVO activities must fall within the priority areas supported by CBA and be technically sound, realistically implementable and financially viable;

- o the PVO must be registered with A.I.D. as a private and voluntary organization following guidelines (see Annex IV);

- o the PVO shall have documented relevant experience in assisting Afghans or a record of successful experience in implementing development projects under adverse political and developmental conditions;

- o the PVO must demonstrate in-country capability to implement the proposed sub-project;

- o the PVO must demonstrate a willingness and capacity to build and inform a home constituency and commit itself to avoiding irresponsible/detrimental publicity;

- o the PVO must demonstrate a willingness and ability to solicit private funds;

- o the PVO must commit itself in writing within its proposal that no American citizen will work within Afghanistan and;

- o the PVO must possess auditable financial and record-keeping systems.

VII. Implementation Plan: The approval of this project will allow the AID/Rep to review, approve and fund specific PVO proposals in the field. It is expected that this will reduce the overall processing time for such proposals and permit the AID/Rep to be more responsive to PVO requests.

A Project Review Committee chaired by the AID/Rep or his designee will review each proposal. The Committee will consist of the AID/Rep, a Special Projects Officer, Regional Legal Advisor, the Peshawar and/or Quetta field representatives and the Controller. Since access on a continuing basis to USAID/Pakistan is available, where appropriate, a USAID representative from the relevant technical office may also participate as a Committee member (see Annex V - Morris/Bloom to Greenleaf/Owens memo p. 5 dated 8/13/85). The Committee will evaluate the proposal against the listed criteria and such criteria as it may later establish. If the proposed activity satisfies the criteria and the Committee concludes the activity should be funded, a letter from the AID/Rep will be sent to the PVO advising it of the Committee's conclusion, including such changes deemed necessary. The letter will request the PVO to obtain the necessary PWI clearance. PWI clearance will allow the AID/Rep to prepare and enter into a grant agreement with the PVO. Under the terms of the grant agreement, subject to the annual availability of funds and the results of evaluations and audits, the AID/Rep generally expects to fund a PVO sub-project for one to two years.

The staff work for the Committee shall be done by the Special Projects Officer (SPO) assigned responsibility for that specific PVO activity. The SPO will also monitor the sub-project as per A.I.D. requirements and regulations and advise the PVO as necessary. Such advice and monitoring responsibilities will include but not be limited to the following:

1. review of quarterly progress reports;
2. review and administrative approval with respect to vouchers for payment; and,
3. rapid appraisal-like evaluations.
4. compliance with applicable A.I.D. rules and regulations, terms of the agreement, etc..

VIII. Beneficiaries: As outlined below, war-affected Afghans will be both direct and indirect beneficiaries:

o War-affected Afghans (producers, suppliers and purchasers) will benefit in/directly from a cash for food program;

o War-affected Afghans will benefit in/directly from cash for work programs where small, relatively simple rural works projects can be carried out;

o War-affected Afghan children will benefit directly from the provision of teachers, textbooks and other school supplies;

o All war-affected Afghans will benefit from the provision of trained doctors, nurses, health workers and increased amounts of medical supplies.

o Selected numbers of Afghans will benefit from the health and/or teacher training they receive; and

o War-affected Afghans will benefit directly from the humanitarian commodities (e.g., blankets, tents, clothes) transported to them in Afghanistan.

IX. Financial Plan: The project requires an estimated \$6 million over a 5 year period with an estimated range of obligations of \$1.2 - 1.8 million per year. If necessary, the project will be amended to cover the high end of the estimated funding range. Given the uncertainty of the yearly needs, the AID/Rep requests authority to adjust the annual requirement up/downwards to reflect yearly PVO activity funding requirements.

Project funds will be provided directly to the PVOs from funds allotted for use by the AID/Rep. Disbursement arrangements, including advances, will be in each AID/PVO agreements. In keeping with sound cash management procedures, funds will be disbursed to grantees against anticipated future requirements of not to exceed six months except where compelling circumstances require. Disbursements may be linked to internal evaluations and audits, conducted at least annually for the larger grantees.

X. Evaluation and Audit: During the life of the sub-project, the PVO will be required to submit quarterly status reports outlining project progress as well as expenditure data in the context of a data collection plan that will be required of all PVO proposals. Standard reporting, audit and evaluation requirements will apply where possible. In cases where activities do not permit the generation and/or collection of relevant empirical data, an appropriate clause regarding these three requirements will apply. PVO's will be requested to provide as much relevant and useful data as possible. The AID/Rep will bear in mind that cross border activities may preclude availability of traditional specific data. All existing documents and records pertaining to home office and local expenditures will be made available to A.I.D. for audit.

PVO's requesting incremental funding will be subject to evaluation of on-going activities prior to approval. To the extent possible, the Special Projects Officer will gather and the AID/Rep will, himself, analyze available data. Where data is unavailable, unobtainable, unverifiable (as is the case for some cross border activities), or considered "sensitive", the PVO will be asked to provide a self assessment of project efforts to date.* The

* Data will be considered "sensitive" if by its release in unclassified documents the project is compromised or lives are threatened. The AID/Rep will work with the PVO to determine the nature of the data.

analysis and other relevant supporting material will be provided to the Project Review Committee to determine if the activity warrants continued support.

Following guidelines outlined in the ANE Bureau's Data Collection, Monitoring and Evaluation Plans, the SPO will make regular, small scale data gathering and analysis efforts for rapid feedback where possible.

XI. Deviations: As necessary, the AID/Rep will consult on a continuing basis with appropriate staff, including the USAID/Pakistan Regional Legal Advisor and Contracting Officer. Using the authority of Section 904 of the International Security and Development Assistance Act which authorizes assistance for war-affected Afghans and permits the furnishing of that assistance "notwithstanding any other provision of law", the following deviations from standard grant requirements are requested by the AID/Rep to be utilized on a case by case basis:

1. Authorized source/origin for materials and supplies funded by the grant shall be Pakistan or countries contained in A.I.D. Geographic Code 935, as well as the U.S.

2. Authorized source/origin of vehicles funded by the grant shall be Pakistan or countries contained in A.I.D. Geographic Code 935, as well as the U.S.

3. Air travel by European program personnel shall not be limited to U.S. flag carriers.

ANNEX I

List of PVO's

AfghanAid - Cash for food
Afghan Aid Association
Afghan Education Committee (AEC) - Support of in-country primary schools
Afghan Health and Social Assistance Organization - Health education training
Aide Medicale Internationale (AMI) - 18 month medical training
Al-Jehad Hospital (Quetta) - Cross border clinic and aid stations
Amitie Franco-Afghane (AFRANE) - Cash for food
Austrian Relief Committee - Cross border clinics
Catholic Relief Services (CRS)
Church World Service (CWS)
Coordination Europeene pour l'Afghanistan (CHEA)
Danish Relief Committee
Freedom Medicine - 6 month medical training, medical supplies
German Afghanistan Committee - 9 month medical training, medical supplies
Gilde du Raid - Cash for food
Human Concern Foundation - 3 month medical/first aid training
Inter-Aid Committee - General cross border relief
International Committee of the Red Cross (ICRC) - Medical training programs, food aid, hospital for war-wounded, prothesis workshop, paraplegic centre, medical transport teams
International Medical Corps (IMC) - 12 month medical/first aid training
International Committee for Migration (ICM)
International Rescue Committee (IRC) - Basic health units in refugee camps, cash for food
Islamic African Relief Committee (IARC) - 3 month medical training
Kuwaiti Red Crescent
Medecins du Monde (MDM) - Support of in-country clinics
Medecins Sans Frontieres (MSF) - Support of in-country clinics
Norwegian Afghanistan Aid - General relief support
Saudi Red Crescent
Save the Children
SERVE
Shelter Now
SOS/PG - Training for refugee camp primary school teachers
Swedish Committee for Afghanistan (SC) - Medical/first aid training, medical supplies, support of in-country clinics
Society of Afghan Doctors (SAD) - 3/12 month medical training
Union Aid for Afghan Refugees (UA) - 6 month medical training
Union of Afghan Mujahid Doctors (UAMD) - 3/12 month medical training

Brief History of On-Going Cross Border Activities

Since early 1980, a variety of Private Voluntary Organizations, mostly European, have been successfully engaged in cross border humanitarian activities throughout Afghanistan. Primarily because of logistical problems the western portion of the country has received less attention. Each area of the country suffers different problems and requires, therefore, different responses. PVOs have concentrated on the provision of food and cash for food, and on training medical personnel and providing related supplies. Where possible, PVOs continue to support and run in-country health posts and hospitals. These facilities treat both civilians and mujahideen.

Cash for food programs address the various cash shortage constraints found throughout Afghanistan. Purchasing power in the country has declined due to the war conditions and dislocation of tens of thousands of internal refugees. Where possible, lost income opportunities can be somewhat alleviated with money, thereby allowing Afghans to purchase food where sufficient supplies exist and to stay in Afghanistan.

Food aid has been introduced to those areas of Afghanistan where localized shortages of food have occurred. The shortages result from poor or insufficient yields or destruction of food supplies due to frequent bombing or burning. In some areas, DRA agents purchase huge amounts of grain which then depletes rural reserves. This tactic is used to deny not only the mujahideen but civilians as well. Systematic military operations against rural infrastructure, including the irrigation systems, have caused economic and social life to stop in many areas. Portions of some rural areas are entirely depopulated. Civilian population shifts from one valley to another causes local food shortages due to the increase in demand for food. Food aid relieves pressure on local shortages.

The exodus of trained medical personnel, previously in short supply, left the countryside with virtually nothing in the way of health care. As the war progressed, health and sanitary conditions, already poor, became worse. War-related injuries resulting from bombing are prevalent. Disease is now widespread. European PVOs have placed trained medical personnel inside in an effort to relieve some of the acute suffering. Mobile teams and medical supplies continue to be sent inside. Where possible, clinics and hospitals are set up, although many have been targetted and some actually destroyed.

memorandum

DATE: 10/14/85

REPLY TO
ATTN OF: Stephen J. Spielman, RLASUBJECT: A.I.D. Representative for Afghan Affairs's Certification
of Indigenous PVOs As Eligible For Grants

TO: Mr. Larry K. Crandall, A.I.D. Representative for Afghan Affairs

State Cable 269634 dated August 31, 1985 redelegates to the A.I.D. Representative for Afghan Affairs all grant and cooperative agreement authorities redelegated to A.I.D. Mission Directors and Principal Officers contained in Redlegation of Authority No. 149.1.1, effective dated June 1, 1985, published in Handbook 13, Attachment 1J. This cable redelegates to the A.I.D. Representative for Afghan Affairs the authority to register (the term "certify" is used synonymously) indigenous private and voluntary organizations. The vehicle for such registration is be an Action Memorandum to the A.I.D. Representative for Afghan Affairs requesting the A.I.D. Representative for Afghan Affairs register the candidate organization. The following are the elements of what is to be included within the Action Memorandum or appended as Attachments thereto:

- 1) The Action Memorandum should confirm to the A.I.D. Representative for Afghan Affairs that the prospective registrant is a PVO, i.e. is:
 - (a) private, e.g. non-governmental, receiving funds from private sources. [Caution should be taken to recognize that there are numerous organizations in Pakistan using the term "private" in their title or chartered under laws of so called "private" association which, are nonetheless effectively controlled through their charter and/or bylaws by the GOP];
 - (b) voluntary, i.e. receives voluntary contributions of money, staff time or in-kind support from the public; and
 - (c) an organization which is a recognized a legal entity under the laws of Pakistan.
- 2) Having established that the organization is a PVO, the Action Memorandum should further confirm to the A.I.D. Representative for Afghan Affairs that the prospective registrant:
 - (a) Is philanthropic and/or public service oriented in its purpose and is engaged in voluntary, charitable or development assistance operations of a non-religious nature which are consistent with the purposes and objectives set forth in the Foreign Assistance Act or P.L. 480;

- (b) Operates on a not-for-profit basis and has tax exemptions under laws of Pakistan, is not a research organization or university, college or similarly structured and accredited institution of learning or church organization engaged exclusively in religious activities;
 - (c) Is non-political;
 - (d) Prepares an annual financial statement which statement indicates the organization has the financial resources to enable it to perform its normal functions in the absence of A.I.D. support;
 - (e) Is controlled by an active and responsible governing board which maintains effective policy and administrative control, which meets at least annually and whose members serve without compensation; if paid officers serve on the governing board they cannot constitute a majority in any decision, and
 - (f) Under its own established priorities and programs, obtains, expends, and distributes its funds and resources in conformity with accepted ethical standards, without unreasonable cost for promotion, publicity, fund raising and administration.
- 3) The Action Memorandum should reference or attach the following documents in support of the request for A.I.D. Representative for Afghan Affairs registration.
- a) Articles of incorporation, by-laws, constitution, or other relevant documents which describe the purpose of the organization, its methods of management, and scope of program;
 - b) Copy of statement of tax exemption, if available;
 - c) Latest financial statement prepared by an independent (chartered) accountant/auditor who can verify, in accordance with generally accepted accounting principles, that the organization is financially viable. For international and their country organizations, these statements must be in English;
 - d) Current budget, detailing sources of income, administrative (personnel and related overhead) expenses, and program costs;
 - e) Annual report of program activities (within last year) or document of similar import;
 - f) Names and addresses of members of Board of Directors; average number of times Board meets in a year.

In the absence of these specific documents substitutes which provide the same or equivalent information may be utilized. The O/RLA is responsible for determining if the substitution is appropriate.

A.I.D. Representative for Afghan Affairs' signature approving the Action Memorandum shall serve as the registering (or certifying) document.

There is a reporting requirement to AID/W, Office of FVA/PVC as to each registration action taken. Once the A.I.D. Representative for Afghan Affairs has registered an organization, a one-page summary describing the non-U.S. PVO and the documents reviewed by the A.I.D. Representative for Afghan Affairs shall accompany the notice of certification.

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AIDAC, FROM GREENLEAF AND M/AAA/SER OWENS TO AIDREP. CRANDA

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TAGS:

SUBJECT: (1) REDELEGATIONS OF PROJECT AND NON-PROJECT ASSISTANCE AUTHORITY TO A.I.D. REPRESENTATIVE FOR AFGHAN AFFAIRS; (2) REDELEGATIONS OF AUTHORITY WITH RESPECT TO GRANTS TO NGOS, CONTRACTS AND COOPERATIVE AGREEMENTS TO A.I.D. REPRESENTATIVE FOR AFGHAN AFFAIRS; (3) REDELEGATIONS OF AUTHORITY WITH RESPECT TO ITEMS IN (2) ABOVE FOR AFGHAN AFFAIRS ACTIVITIES TO RCO POLITTE, USAID/ISLAMABAD.

1. BASED ON MEMORANDUM TO GREENLEAF AND OWENS DATED AUGUST 13, 1985 ON (1) PROCESS OF APPROVING ACTIVITIES FOR AFGHAN HUMANITARIAN ASSISTANCE PROGRAM; (2) DELEGATIONS OF AUTHORITY TO APPROVE ACTIVITIES AND TO EXECUTE AND IMPLEMENT ACTIVITY AGREEMENTS, THE REDELEGATIONS OF AUTHORITY SET FORTH IN PARAS 2 AND 3 BELOW ARE HEREBY ESTABLISHED.

2. TO THE A.I.D. REPRESENTATIVE FOR AFGHAN AFFAIRS FOR ACTIVITIES IN THE AFGHAN HUMANITARIAN ASSISTANCE PROGRAM:

(A) ALL PROJECT AND NONPROJECT ASSISTANCE AUTHORITIES REDELEGATED TO A.I.D. MISSION DIRECTORS IN ASIA COUNTRIES BY AA/ANE ON MAY 24, 1985 AND PRESENTLY CONTAINED IN AIDR 152-01, DATED MAY 29, 1985. THE AUTHORITY CONTAINED IN SECTION 3 OF THAT REDELEGATIO TO U.S. AMBASSADOR IS HEREBY REDELEGATED TO THE U.S. AMBASSADOR TO PAKISTAN FOR ACTIVITIES IN THIS PROGRAM;

(B) ALL GRANT AND COOPERATIVE AGREEMENT AUTHORITIES REDELEGATED TO A.I.D. MISSION DIRECTORS AND PRINCIPAL OFFICERS CONTAINED IN REDELEGATION OF AUTHORITY NO. 149.1.1, EFFECTIVE DATE JUNE 1, 1985, PUBLISHED IN HANDBOOK 13, ATTACHMENT 1J;

(C) ALL CONTRACTING AND RELATED AUTHORITIES REDELEGATED TO A.I.D. MISSION DIRECTORS AND PRINCIPAL OFFICERS CONTAINED IN AIDR 702.170-10(3), EFFECTIVE DATE APRIL 1, 1985, PUBLISHED IN HANDBOOK 14 (TM 14:66).

3. TO RCO JAMES POLITTE, USAID/ISLAMABAD, FOR ACTIVITIES IN THE AFGHAN HUMANITARIAN ASSISTANCE PROGRAM, ALL AUTHORITIES WHICH HAVE BEEN REDELEGATED TO

UNCLASSIFIED STATE 269634

USAID/C&R
SEP 1 3 30 PM '85
ISLAMABAD

HIM IN CONNECTION WITH OTHER ASSISTANCE PROGRAMS IN THE ASIA REGION.

4. ALL AUTHORITIES REDELEGATED HEREIN SHALL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE MEMORANDUM NOTED PARA 1 ABOVE, TO THE TERMS, CONDITIONS AND GUIDANCE CONTAINED IN ALL ISSUANCES CONVEYING THE ABOVE-NOTED REDELEGATIONS, TO ALL SUCH TERMS, CONDITIONS AND GUIDANCE THAT MAY BE ISSUED, AND TO ALL OTHER TERMS, CONDITIONS AND GUIDANCE IN ANY ISSUANCE OF A.I.D. RELATING TO THE EXERCISE OF THESE AUTHORITIES.

5. THESE REDELEGATIONS OF AUTHORITY ARE EFFECTIVE IMMEDIATELY. ARMACOST

BT
#9634

NNNN

ACTION MEMORANDUM

August 13, 1985

TO: AA/ANE, Charles W. Greenleaf
AAA/SER, John F. Owens

FROM: GC/ANE, Herbert E. Morris *HMM*
ANE/PD, Peter Bloom *for RB*

SUBJECT: (1) Process of Approving Activities for Afghan Humanitarian Assistance Program; (2) Delegations of Authority to Approve Activities and to Execute and Implement Activity Agreements

Background: The Afghan humanitarian assistance program, currently implemented through grants to FVOs, has been authorized and negotiated in AID/W utilizing funding and the extraordinary flexibility authority conferred on the Agency under Section 451 of the Foreign Assistance Act of 1961, as amended. At this juncture, however, the Agency has determined to establish the Office of A.I.D. Representative for Afghanistan Affairs. Authorizing legislation, now in effect, makes ESF funding available for Afghanistan humanitarian assistance in FY 1985 and earmarks \$15 million of ESF for this purpose commencing in FY 1986. This legislation includes the same extraordinary flexibility clause presently available, that is, the assistance may be provided "notwithstanding any other provision of law." The Executive Branch, in addition, may seek supplemental legislation authorizing a \$50 million no-year appropriation for this purpose.

Problem: In view of the funding included in the new legislation and the establishment of a field office for this program, a determination is required on how new Afghan assistance activities will be approved and implemented under that legislation. The question, in short, is what approval process should apply to this new program and what authority will be delegated to the A.I.D. Representative and what will be retained by either AA/ANE or M/AAA/SER. The authorities of both these offices have been and will be involved in this determination since the activities may include grants to private organizations and international organizations, contracts, and project agreements with foreign governments.

Discussion:

1. Existing Procedure.

While the program to date has been a limited one, essentially funding food, medicines and related assistance to the intended beneficiaries, a brief description of the authorities involved and how they are utilized now seems a good starting point in making the required determination. In essence, activity proposals have come in from PVOs and receive consideration from responsible offices both in State and A.I.D. on the merits of funding them. Embassy views are also solicited. Once an affirmative judgment has been made, ASIA/ANE/PD prepares an action memorandum for AA/ANE seeking approval. It attaches a PIO/T and indicates in the action memorandum what deviations from standard grant provisions will be required to implement the proposed activity, with justifications therefor. Utilizing Section 451 extraordinary flexibility authority, where necessary, AA/ANE, if he approves the proposed grant, also approves (or disapproves) the requested deviations.

Action then moves to SER/CM where that office, based on the PIO/T, prepares the required grant documentation and the solicitation to the offeror or offerors, and negotiates and executes an appropriate grant agreement. Once the grantee initiates action in the field, other than reports it will be making as required under the grant, any monitoring or surveillance of its actions occurs in the field.

As these actions indicate, both regional and SER/CM authorities are involved whenever the approval of an activity leads to grants to, or direct contracts with, private organizations. Moreover, while these authorities normally face the constraints imposed by a variety of statutory, regulatory and policy provisions, Section 451 authority permits, in effect, a rapid waiver response, if justifiable, to these constraints. In that respect, Congress, as with Disaster Assistance, recognizes the need to move quickly in the program if the assistance is to be effective at all. The net result is that instead of a prolix stream of waiver documents (or, even more serious, inability to act where a statute cannot be waived) a simple mechanism is available for waiver where circumstances justify its use.

2. The Proposed Documentation Process and the Division of Approval Responsibility.

The establishment of a field office for Afghanistan Affairs is consistent with Congressional concern, reflected in the legislative reports and these "notwithstanding" provisions, that the assistance authorized move efficaciously if it is to do any good. It also reflects the fact that the unique nature of the program will depend

on the creativity, on-the-scene familiarity and rapid response that only a field office can provide. On the other hand, one must also admit the extremely sensitive aspects inherent in such a program, both from an international and domestic political viewpoint.

These two critical aspects of speed and sensitivity, we believe, constitute the obvious framework for determining the field-Washington division of approval authority. It seems completely appropriate that while the new field office obtain those authorities it needs to fulfill the rapid response imperative, Washington should retain those authorities necessary to make certain that proposed activities seem sensible and are not in conflict with its view of political sensitivities, both here and abroad.

The process we recommend to carry out these twin objectives, is, in essence, a streamlined version of the "Asia Experiment". It would involve the following steps:

A. Activity Identification Memorandum (AIM).^{1/} After a design team finishes its assignment, the A.I.D. Representative will send to AID/W an AIM which would correspond to a PID (Project Identification Document) in general terms.

However, the AIM would, in some cases, not be as detailed. The critical criterion here, as with the question of deviations in implementation, is to what degree does the proposed activity correspond to a more traditional project. For example, a training activity in the education sector to be achieved in Pakistan presumably would entail more analysis and look more like a PID (albeit a briefer version) than possibly some other activities. Governmental bilateral activities would normally require more by way of "PID" substantiation than a smaller grant through a PVO. The required content in such AIMS can be adjusted as we progress, but certainly they should indicate what sensitive vulnerabilities are presented in the proposed activity.

^{1/}We have used the term "AIM" for reasons of distinguishing normal A.I.D. programs and projects from the variety of interventions we have faced and will be handling in this program. To call them "Projects" is to lock oneself into the usual program considerations; the more general term "activity" seems appropriate for this program. A "Memorandum" seems the likely mechanistic vehicle for activity identification. Moreover, while the term "document" could have been used (as in PID), the resulting acronym "AID" seems both confusing and inappropriate.

In addition to the basic scope of the activity, the AIM would contain the outline of the proposed mode of implementation, monitoring and accountability with reference to those deviations from normal practice foreseen at the time of submission. Finally, AIMS would indicate how much more the AID Representative expected by way of content in the activity approval document (see below).

As noted above, AIMS would also be required for program grants to PVOs or other A.I.D.-financed recipients, since these are an integral part of the program and could produce as much damaging controversy as any other program activity. In that sense, they are different from normal OPGs run through co-financing activities in a normal development program. Such an AIM, as noted, might consist of as short a memorandum as we are processing today, again dependent on the type of activity and/or the knowledge on hand at the point of seeking approval. There might also be "basket-AIMS" for such umbrella type matters as PD&S activities.

AIM approval in Washington, as suggested in this discussion, would be given by AA/ANE with appropriate staffing support and recommendations and within a brief agreed-upon time period. More than with the development project portfolio, the chief reason for the Washington approval is the sensitivity concern; the critical objective of speed will be lost if the AIM were to be processed like the rest of the Bureau portfolio. Indeed, in the submission of the AIM, the A.I.D. Representative could indicate the time parameters he considered essential for approval.

Lastly, once the program reaches a point where "program week" might be called for, the A.I.D. Representative could come in with proposed activity concept papers in that presentation on the same basis as other Asia field units.

B. Activity Approval Authority

The next question posed is whether the activity approval authority should reside in the field or in Washington, or both, depending on factors such as amount or sensitivity. In our view, the A.I.D. Representative (1) should have the same authority as Mission Directors (\$20 million and up to \$30 million by amendment) and (2) would normally exercise the authority unless the activity presents special policy or sensitivity concerns.

Should a significant policy consideration arise at the AIM stage, AA/ANE might either "kill" the activity right there, or exercise his concurrent approval authority and reserve that authority for the activity involved. Additionally, the A.I.D. Representative could request AA/ANE approval for any activity on any ground he chose. However, barring a reservation of approval authority at the AIM stage and further unforeseen, significant developments arising in the interim, nothing new will be presented warranting another A.I.D./W review at the activity approval stage.

As to amount, it is true that our other A.I.D. Representatives in Asia have no overall project approval authority but must be delegated such authority on an ad hoc basis. That decision was based on the lack of support on their staffs to bring some disinterested objectivity to the project approval process. The A.I.D. Representative for the Afghan program, on the contrary, will have a staff of senior people under him and access on a continuing basis to the USAID/Pakistan staff for this type of support.

As noted before, moreover, the time urgency involved in a program such as this should seek to limit Washington intervention to the minimum necessary. And that is done most appropriately at the earlier AIM phase. Also, approval authority (and all other authorities) will be subject to the same limitation placed on all Directors, that they be exercised only after appropriate consultation with technical and legal staff.

C. Activity Approval Memorandum ("AAM").

Once the AIM is approved by AA/ANE, the A.I.D. Representative's office, utilizing its own staff and staff from USAID/Pakistan would proceed to develop a document on which approval would be predicated, a document corresponding in process to the Project Paper (PP) in normal A.I.D. programs. So that no confusion exists with this latter document, we have designated the Afghan program approval paper an Activity Approval Memorandum ("AAM"). Again, the determining criterion in length and type of document, and its components, should be based on type and timing of activity. The more closely the activity reflects a normal DA or ESF project activity, time and urgency permitting, the more the AAM should resemble a PP in content if not in length.

In some cases, the AIM may convey all there is to justify the activity and the AAM would merely incorporate it by reference, adding whatever detail or analysis it could. In other cases real design work will be called for and a well-developed AAM should result. In either situation, the field office would be moving ahead on its own in developing the AAM and would consult with Washington only as significant factors, affecting design or policy considerations, arise. Copies of AAMs will be forwarded to Washington for information.

3. Implementing Authorities.

Our basic premise here is that once he has approved an activity, the A.I.D. Representative should have maximum flexibility with regard to implementing authorities, as free of AID/W concurrences or waivers as possible. The need is there for rapid implementation, and the requisite staff, including very importantly, the contract officer and RLA, are on hand in Islamabad. We conclude that with respect to

those project authorities AA/ANE delegated to Mission Directors only recently, the same set of authorities, which include such implementation concerns as waivers of source/origin, waivers of competition on host country contracts, satisfaction of conditions precedent, authority to sign PIOs, etc., should be delegated to the A.I.D. Representative here.

In addition, as we have seen so far, a substantial part of the program may be obligated and implemented through grants to, or direct contracts with, various PVOs and other organizations coming under SER/CM's jurisdiction. Our recommendation with respect to the delegation of these authorities is that the A.I.D. Representative for Afghanistan Affairs receive the maximum set of grant and contract authorities delegated by SER/CM to any Mission worldwide. Again, the urgency of action and availability of the necessary staff fully support this request.

A third recommendation on implementing authorities arises from the "notwithstanding" proviso in the new legislation which has also been present under the Section 451 authority. This proviso affords the agency the extraordinary flexibility of avoiding any legal constraint. For example, in direct contracting, the Competition in Contracting Act, and related regulations, has made negotiated or limited solicitations even more difficult than ever and created time-consuming processes in engaging a contractor.

Our conclusion here is that such authority be available to the A.I.D. Representative, after consulting with appropriate staff including the RCO and RLA, only when any constraint, with whatever waiver possibilities it affords, proves seriously detrimental to assistance objectives. In any such instance, the Representative will have to justify, by a record in office files, the basis and justification for resort to this extraordinary authority. In short, this procedure will force the Representative and his field staff to be familiar with and work within the maximum operating limits now available to field Directors without resort to this ultimate recourse, except when such recourse is absolutely necessary.

4. Delegations of Authority.

If you concur in the process and approach, GC/ANE and GC/CCM can prepare a simple package of authorities formally embodying the above principles. To recapitulate this will include: (a) the same set of AA/ANE project authorities delegated to Asia Mission Directors (attached); (b) the maximum set of direct contract and grant authorities delegated anywhere by SER/CM; and (c) the right to resort to the extraordinary authority of the "notwithstanding" statutory proviso where necessary and where adequate justification exists.

The authorities will be communicated to the Representative by cable which will also include appropriate ancillary guidance and instructions, particularly with respect to activity processing, prepared by ASIA/PD and other involved offices.

Recommendations.

1. That you approve the activity approval process and division of authorities between yourselves and the A.I.D. Representative for Afghanistan Affairs as set forth above.

AA/ANE

Approved: Charles W. Grant

Disapproved: _____

Date: 8/26/85

AA/SER

Approved: [Signature]

Disapproved: _____

Date: 8/15/85

2. That if you approve Recommendation No. 1, you approve staff preparation of the delegations of authority and any related accompanying guidance and instruction that will formally effectuate that approval process and division of authorities.

AA/ANE

Approved: Charles W. Grant

Disapproved: _____

Date: 8/26/85

AAA/SER

Approved: *J. Owens*

Disapproved: _____

Date: *8/13/05*

Clearances:

ANE/SA:PBoughton (Draft) _____

ANE/DP:LCrandall Draft) _____

SA/AA/ANE:JEsposito (Draft) _____

DAA/ANE:JNorris (Draft) _____

SER/CM:JMurphy *Draft* _____

Draft: GC/ANE/HEMorris

REDELEGATION OF AUTHORITY NO.

**Director, Office of Project Development, Bureau for
Asia and Near East, Mission Directors in Asia Region,
A.I.D. Representative in Burma, South Pacific
Regional Development Officer in Fiji and
the Asean Regional Development Officer**

Section 1. Issuance Authority

This redelegation is issued pursuant to the authority delegated to the Assistant Administrator by A.I.D. Delegation of Authority No. 5 with respect to Loan Agreements, No. 38 with respect to Project Agreements, Trust Fund Agreements, and Grants to International Organizations, No. 40 with respect to Waivers of Source, Origin and Nationality for Procurement, No. 41 with respect to Excess Property, No. 99 with respect to Contracting and Related Functions, No. 100 with respect to Adequacy of Assurances of Host Country Participation, No. 112 with respect to Other Authorities and Functions, and No. 133 with respect to Authorization of Project and Nonproject Assistance, all as amended.

Section 2. Delegations of Authority

I hereby redelegate to A.I.D. Mission Directors in Bangladesh, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka and Thailand and to the A.I.D. Representative in Burma and to the South Pacific Regional Development Officer and to the Asean Regional Development Officer, each with respect to the country or countries for which he or she is responsible, and to the Director, Office of Project Development, Bureau for Asia and Near East with respect to countries in the Asia region within my area of responsibility, authority to exercise any of the following functions, except that the A.I.D. Representative in Burma, the South Pacific Regional Development Officer, the Asean Regional Development Officer, and the Bureau Director of the Office of Project Development may not exercise the functions in paragraphs A, B and C of this Section 2.

A. Authorize Assistance. The authority to authorize a project, if the project:

(1) Does not exceed \$20 million over the approved life of project (except as provided in subparagraph (B) below);

(2) Does not present significant policy issues;

(3) Does not require issuance of waivers that may be approved only by the Assistant Administrator or the Administrator, or if such waivers are required, they are approved by the Assistant Administrator or the Administrator, as appropriate, prior to such authorization; and

(4) Does not have a life of project in excess of ten years.

B. Amend Authorizations. The authority to amend project authorizations executed by any A.I.D. official, if the amendment:

(1) Does not result in a total life of project funding of more than \$30 million;

(2) Does not present significant policy issues; and

(3) Does not require issuance of waivers that may be approved only by the Assistant Administrator or the Administrator, or if such waivers are required, they are approved by the Assistant Administrator or the Administrator, as appropriate.

C. Host Country Contributions. Authority to receive and to determine the adequacy of the assurances required by Section 110(a) of the Foreign Assistance Act of 1961, as amended (the Act), with respect to any individual project or nonproject assistance authorized or amended under subparagraphs A. and B. of this Section 2.

D. Negotiate and Execute Agreements and Amendments. Authority to negotiate and execute loan and grant agreements, and amendments thereto, with respect to loans and grants authorized under the Act, in accordance with the terms of the authorization of such loan or grant. Such grant agreements for purposes of this authority and all other authorities contained in this redelegation shall mean agreements with foreign governments, foreign government agencies, and international organizations having a membership consisting primarily of such foreign governments.

E. Implementation. Authority to implement loan and grant agreements with respect to loans and grants authorized under the Act and loans authorized by the Board of Directors of the Corporate Development Loan Fund, including the following:

(1) **Implementation Letters.** Authority to prepare, negotiate, sign, and deliver letters of implementation;

(2) **Ancillary Agreements and Documents.** Authority to negotiate, execute and implement all agreements and other documents ancillary to such loan and grant agreements;

(3) **Satisfaction of Conditions Precedent.** Authority to review and approve documents and other evidence submitted by borrowers or grantees in satisfaction of conditions precedent to financing under such loan or grant agreements;

(4) **Project Implementation Orders.** Authority to sign or approve Project Implementation Orders;

(5) **Waiver of Competition for Host Country Contracts.** Authority to waive competition in the selection of contractors for contracts with borrowers or grantees financed by funds made available under such loans or grants, provided that the amount of such waiver does not exceed \$1,000,000 per transaction and that the field post's noncompetitive review board finds the waiver to be justified in accordance with Handbook 11;

(6) **Waiver of Publication for Host Country Contracts.** Authority to waive, in competitive procurements, the requirement to publish, in the Commerce Business Daily or elsewhere, a notice of the availability of an invitation for bid or request for proposals for procurement of goods or services by borrowers or grantees financed by funds made available under such loans or grants, provided that the aggregate amount of each such procurement does not exceed \$500,000, that the sole basis for approving such waivers shall be to avoid serious delay in project implementation, and that in any event, efforts shall be made to secure proposals, bids, or offers from a reasonable number of potential contractors or suppliers;

(7) **Approval of Host Country Contracts.** Authority to approve contractors, review and approve the terms of contracts, amendments and modifications thereto, and invitations for bids or requests for proposals with respect to such contracts financed by funds made available under such loans or grants; and

(8) Extension of Terminal Dates. Authority to extend terminal dates for signing Project Agreements and for meeting initial conditions precedent for a cumulative period of not to exceed one year for each, and to extend terminal dates for requesting disbursement authorizations, terminal disbursement dates and Project Assistance Completion Dates for a cumulative period of not to exceed two years for each, provided that such extensions not extend the life of the project to more than ten years.

F. Source/Origin/Nationality. Authority to waive:

(1) United States source, origin and nationality requirements to permit A.I.D. financing of the procurement of goods and services, other than transportation services, in countries included in A.I.D. Geographic Code 941 (Selected Free World) or the Cooperating Country; and

(2) United States or Code 941 source, origin and nationality requirements for specific transactions to permit A.I.D. financing the procurement of goods and services, other than transportation services, in any country included in A.I.D. Geographic Code 899 (Free World) or Code 935 (Special Free World).

Provided, with respect to both (1) and (2), that.

(a) the cost of goods and services does not exceed \$5,000,000 per transaction (exclusive of transportation costs);

(b) waivers for procurement of goods from countries in Code 899 or Code 935 shall contain a certification by the approving official that "Exclusion of the Procurement from Free World countries other than the Cooperating Country and countries included in Code 941 would seriously impede attainment of United States foreign policy objectives and objectives of the foreign assistance program";

(c) waivers for procurement of services, other than ocean transportation services, from countries in Code 899 or Code 935 shall contain a certification by the approving official that "the interests of the United States are best served by permitting the procurement of services from Free World countries other than the cooperating country and countries in Code 941;"

(d) the authority to waive source and origin requirements for procurement of motor vehicles shall not exceed \$50,000 per transaction (exclusive of transportation costs);

(e) the authority to waive source, origin and nationality shall be exercised in accordance with the criteria prescribed in Supplement B of Handbook 1.

G. Excess Property. The authority to execute transfer or transfer/trust agreements for excess property with friendly countries or with international organizations having a membership primarily of foreign governments, in accordance with Section 607 of the Act and with Handbook 16, but only after I have authorized such assistance.

Section 3. Delegation to Ambassadors

The authority delegated in paragraph D. of Section 2 of this Redelegation of Authority with respect to execution of loan and grant agreements also is hereby delegated, under the same terms and conditions set forth herein, to the United States Ambassador to each of the countries listed in Section 2 of this Redelegation and to the U.S. Ambassador to Fiji, with respect to the country to which he or she is assigned.

Section 4. Redelegations

The authorities delegated by this Redelegation of Authority may be exercised by persons in an "acting" capacity for the persons listed above and may be redelegated by the persons listed above, as appropriate, but may not be successively redelegated, except that the authorities delegated under paragraphs A. and B. of Section 2 of this Redelegation of Authority may be redelegated only to the principal deputy of a Mission Director and the authority redelegated under paragraph E(6) of Section 2 of this Redelegation of Authority may not be redelegated.

Section 5. Concurrent Authority

I hereby retain for myself concurrent authority to exercise any of the functions herein redelegated.

Section 6. Technical Review

The authorities delegated herein may be exercised only after consultation, as appropriate, with A.I.D. technical and legal staff, and technical review prior to the exercise of the authorities delegated in paragraphs A. and B. of Section 2 of this Redelegation of Authority shall be in accordance with procedures established by the Bureau for Asia and Near East.