

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

MONDALE RUPEE PROJECT AMENDMENT
PAKISTAN - STRENGTHENING WATER MANAGEMENT PROJECT ACTIVITIES
391-0452

MAY 1982

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STRENGTHENING WATER MANAGEMENT PROJECT ACTIVITIES

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I. RECOMMENDATIONS

It is recommended that:

A. Rs 9.9 million in Mondale rupees be obligated in FY 1982 for the Strengthening Water Management Project Activities Project. This amendment will increase total life of project funding to Rs 28.4 million.

B. the Project Assistance Completion Date (PACD) be extended from December 31, 1984 to June 30, 1985 to coincide with the PACD of the complementary dollar-financed On-Farm Water Management Project (391-0413), as amended.

II. PROJECT AMENDMENT DESCRIPTION

A. Background

This Mondale rupee project was designed to complement the dollar-financed On-Farm Water Management (OFWM) Project (391-0413). The project was authorized on May 7, 1980, (See Annex A) and a Grant Agreement was signed on September 24, 1980, obligating Rs 18.5 million for the five-year project. The project is intended to strengthen the GOP's program for systematic monitoring and evaluation of the impact of water management activities and to improve training of personnel associated with the water management program. The project will also improve the dissemination of information to farmers about the OFWM program and provide personnel and administrative support to the GOP's Water Management Cell in the Ministry of Food, Agriculture, and Cooperatives, which is the implementing agency for the project. A detailed description of the project is contained in the GOP's PC-1 Planning Document which was approved in January 1979 and a Mondale Rupee Grant Proposal prepared by the Mission in March 1980 which is attached as Annex B.

B. Project Amendment

During the August 1981 negotiations of the renewed economic assistance program to Pakistan, the Governments of the United States and Pakistan agreed to finance a three-year amendment to the OFWM project (391-0413). The amendment is intended to: (1) reimburse the GOP for watercourse improvements already completed which were eligible for financing under the original project; and (2) overcome institutional deficiencies and to correct implementation problems which were identified during the course of the pilot project. Under the amendment, A.I.D. will provide \$10.0 million in ESF grant funds to:

(1) reimburse the government for civil works already completed under the pilot project; (2) provide training and technical assistance to further strengthen the capability of local institutions to implement Pakistan's OFWM Program; and (3) undertake a local government pilot program to examine the feasibility of local councils as a mechanism to accelerate the implementation of the OFWM Program. A detailed description of the amendment is contained in the Project Paper Amendment prepared by the Mission in May 1982.

As a corollary to the On-Farm Water Management Project, the Strengthening Water Management Project Activities Project is also being amended to provide Rs 9.9 million to finance some of the local costs associated with the dollar-financed activities under the OFWM Project.

III. REVISED FINANCIAL PLAN

Table 1 provides a summary of project amendment costs for both the On-Farm Water Management and the Strengthening Water Management Project Activities Projects by expense category and source of funding. The A.I.D. dollar grant under the OFWM Project will finance all of the foreign exchange costs of the technical assistance, training, and commodities, as well as the local costs associated with all civil works under the project, research and evaluation activities, a portion of the local costs for the long-term advisors, and the local costs associated with vehicle procurement. This dollar grant will be allocated as follows: 49 percent for civil works; 34 percent for technical assistance; 10 percent for training; and, 7 percent for commodities.

The Mondale rupee grant under the Strengthening Water Management Project Activities Project will be used as follows: 55 percent of the funds to cover the local costs associated with the technical assistance to be provided under the OFWM Project Amendment. The remainder with the exception of Rs 500,000 for the international travel costs associated with training, will be used for such local costs as monitoring and evaluation, training, information dissemination, and administrative support for the GOP's OFWM Program for the next three years under the Strengthening Water Management Project Activities Project. Annex F contains a justification for using Mondale rupees to cover participant training travel costs which has been signed by the USAID/Pakistan Mission Director, waiving the requirement for the host country to cover these costs.

TABLE 1

SUMMARY OF OFW^{a/} PROJECT AMENDMENT COSTS
BY EXPENSE CATEGORY AND SOURCE OF FUNDING ^{a/}

Expense Category	Life of Project Amendment Funding	
	A.I.D. Dollar Grant (in \$ 000)	Mondale Rupees ^{b/} (in Rs 000)
1. Civil Works		
a. Reimbursement for Completed Works	3,870	-
b. Local Government Component	1,000	-
Sub-Total	4,870	-
2. Technical Assistance		
a. Short-term Field Advisors	425	970
b. Water Management Team		
i. Long-Term Advisors	2,410	2,970
ii. Short-term Advisors	275	970
c. Contingency (10%)	310	490
Sub-total	3,420	5,400
3. Training ^{c/}		
a. Short-term	295	500
b. Long-term	605	-
c. Contingency (10%)	90	-
Sub-Total	990	500
4. Commodities		
a. Vehicles	95	-
b. Computers	195	-
c. Library, Training and Extension Materials	220	-
d. Research Supplies and Equipment	100	-
e. Contingency (10%)	65	-
Sub-Total	675	-
5. Other		
a. Research and Evaluation	45	-
b. Information Dissemination	-	1,000
c. Program Administration	-	2,600
d. Program Support	-	400
Sub-Total	45	4,000
TOTAL	10,000	9,900

a/ Expenditures for line items may vary up to 15 percent as long as the grand total is not exceeded.

b/ These Mondale rupees will be added to the existing complementary Mondale rupee project, Strengthening Water Management Project Activities (391-0452).

c/ An additional Rs 1,160,000 is available under the existing complementary Mondale rupee project, Strengthening Water Management Project Activities (391-0452), to cover the majority of the local costs for the training activities planned under the amendment.

A revised project budget is shown in Table 2. Disbursements for line item 5, SCS/AID Project Support, and line item 6, Support for Technical Advisors, will be made by USAID/Pakistan. Disbursements for the remaining line items will be made by the Federal OFWM Cell. An initial advance will be provided to the OFWM Cell in an amount not to exceed the estimated expenditure requirements for operational activities for three months. An expenditure report will be required within 45 days of the initial advance, covering expenditures for the first month, and subsequent reports will be due at monthly intervals. Such reports will constitute the basis for the replenishment of the initial advance. The current advance of Rs 2,219,500.00 should be revised (reduced or increased) accordingly, based upon the above requirements. In cases where large payments are required, such as for the Evaluation and Monitoring activity, an additional advance will be provided, which will be liquidated within forty-five days.

IV. CONDITIONS, COVENANTS, AND NEGOTIATING STATUS

The Government of Pakistan is fully familiar with this project amendment and has sent a letter (Annex C) requesting the additional Mondale rupees for this project. The Assistant Administrator for Asia authorized the use of an additional Rs 9.9 million for this project on March 5, 1982 (See Annex D). Annex E is a copy of the cable received by the Mission which provides the transfer authorization for these funds. There are no further actions required by the Mission or by the Government of Pakistan prior to signing the Project Agreement Amendment. A condition precedent to initial disbursement under the project amendment will be that a PC-1 (GOP planning document) amendment has been approved by the GOP. There are no other Conditions Precedent to disbursement nor any other special conditions besides those contained in the original Grant Agreement for this project.

TABLE 2

STRENGTHENING WATER MANAGEMENT PROJECT ACTIVITIES

REVISED BUDGET^{a, d/}
(Rs 000)

	1979-80 ^{b/}	1980-81	1981-82	1982-83	1983-84	1984-85	Total
1. Training (International Travel only)	- 0 -	- 0 -	206.40	500.00	500.00	500.00	1,706.40
2. Evaluation and Monitoring	- 0 -	2,707.60	4,752.60	2,284.00	1,255.80	- 0 -	11,000.00
3. Information Dissemination	- 0 -	129.63	500.00	1,500.00	1,784.77	1,000.00	4,914.00
4. Administrative Support	- 0 -	129.20	250.00	1,270.00	960.00	970.00	3,579.20
5. SCS/AID Project Support ^{c/}	- 0 -	200.00	200.00	500.00	500.00	400.00	1,800.00
6. Support for Technical Advisors	- 0 -	- 0 -	2,000.00	3,400.00	- 0 -	- 0 -	5,400.00
TOTAL	- 0 -	3,166.43	7,909.00	9,454.00	5,000.57	2,870.00	28,400.00

a/ The 1981-82 Budget includes Rs 2,412,643 which was advanced to the GOP in November 1980 for application under line item No. 2, Evaluation and Monitoring. The GOP has submitted documentation fully liquidating the advance. Thus, only Rs 3,296,357 is available for new commitments during the 1981-82 budget year.

b/ Project Grant Agreement was signed September 24, 1980.

c/ Soil Conservation Service.

d/ Expenditures for line items may vary up to 15 percent as long as the grand total is not exceeded.

V. ANNEXES

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

ANNEX A
Page 1

April 30, 1980

ACTION MEMORANDUM FOR THE AA/ASIA

FROM: ASIA/PD, Dennis J. Brennan *DB*

Purpose: USAID/Islamabad has requested that the Government of Pakistan (GOP) be granted 18.5 million rupees (approximately \$1.87 million) under the provisions of Section 104(f) of the Agricultural Trade Development and Assistance Act (P.L. 480) to support the proposed project, Strengthening Water Management Project Activities (391-0452).

(A) Cooperating Country	Pakistan
(B) Authorizing Document	Section 104(f), P.L. 480
(C) Project	Strengthening Water Management Project Activities (391-0452)
(D) Nature of Funding	P.L. 480 Excess Rupees (Mondale Grant)
(E) Approximate Value	Rs. 18.5 million (approximately \$1.87 million)

Discussion: The purpose of this rupee grant activity is to improve the GOP On-Farm Water Management (OFWM) Program. The project will provide funds for an assessment of current OFWM activities, the results of which will furnish information to planners so that more effective water management policy may be formulated in the future. The project will also fund remedial activities designed to improve the performance of the GOP's Water Management organization. Specific activities financed under this proposed rupee grant project will include: (a) an extensive evaluation of water management activities; (b) improved information dissemination to farmers regarding the OFWM Program; and (c) training for OFWM program related personnel.

A.I.D. is currently assisting the GOP program through the On-Farm Water Management Project (391-0413). This assistance, which is scheduled to terminate in December 1980, has demonstrated the feasibility of OFWM investments. Obligations for this pilot project to date include both a

\$7.5 million loan and approximately \$2.35 million in grants. The proposed Mondale Grant is not a continuation of the present OFWM project and a substitution of rupees for dollars. On-Farm Water Management (391-0413) provided funds for watercourse improvements, precision land leveling and technical assistance. None of these activities will be financed under the Mondale Grant.

In addition to, but independent of A.I.D. assistance, the Asian Development Bank is contributing funds to the GOP water management program through a \$25.0 million project for the South Rohri area in the Punjab. The World Bank is exploring with the GOP financing estimated at approximately \$50.0 million for water management activities throughout Pakistan. Other bilateral donors have also expressed interest in providing assistance to the GOP program of reducing water losses from the nation's 88,000 watercourses and 30 million acres of irrigated farm land.

Justification: This five (5) year Mondale rupee grant project is required to assist the GOP improve the performance of its water management program. The project addresses implementation problems identified in Joint Evaluations of the A.I.D. financed OFWM project and also assists the Government establish a firmer institutional base for carrying out future water management activities. In view of AID's initial investment and in view of subsequent water management activities planned by the GOP and other donors, it is felt that considerable benefits will be derived from the implementation of this rupee grant proposal.

FM/CAD advises that the U.S. Treasury currently has excess rupees that are available to AID for use in projects such as this one, provided that Congressional committees do not object and that OMB approves an allocation for the proposed amount. Attached for your signature is a memorandum requesting Ms. Kathleen Bitterman, Coordinator, Office of Food for Peace, to advise the appropriate Congressional committees. After notification that no Congressional objections have been raised, you will be requested to sign a letter drafted by ASIA/PD to the Office of Management and Budget requesting the allocation.

Recommendation: That you (1) approve a Mondale Grant of 18.5 million rupees for the proposed five-year project, "Strengthening Water Management Project Activities", (2) sign the attached memorandum requesting PDC/FFP to advise Congress on the matter, and (3) sign the attached cable informing the Mission of your approval.

Approved 
Disapproved _____
Date 5/7/80

Attachments:

- Tab A - Memorandum to PDC/FFP, Kathleen Bitterman
- Tab B - Cable to Mission

STRENGTHENING WATER MANAGEMENT PROJECT ACTIVITIES

MONDALE RUPEE GRANT PROPOSAL

U.S. A.I.D. Mission to Pakistan
Islamabad, Pakistan

March 28, 1980

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2. Background
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 - (b) Precision Land Leveling (PLL)
3. The Project
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 - (d) Administrative Support
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5. Project Implementation
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Strengthening Water Management Project Activities
Mondale Rupee Grant Proposal

Proposed grant of U.S. owned excess rupees to the Government of Pakistan for assistance to the On-Farm Water Management Program.

1. Summary

This is a proposal to grant 18.5 million (Mondale Rupees) equivalent to approximately \$1.87 million, under authority of PL 480, Section 104 (f), in support of the Government of Pakistan (GOP) On-Farm Water Management (OFWM) program. The proposed activity will be administered by the Ministry of Food, Agriculture and Cooperatives, Water Management Cell. The project will strengthen the Government's program for systematic monitoring and evaluation of the impact of water management activities and improved training of personnel associated with the water management program. The proposed grant will also improve the dissemination of information to farmers about the program and provides personnel and administrative support to the GOP's Water Management Cell. This rupee proposal also provides support for Soil Conservation Service (SCS) advisors.

2. Background

In 1976 the Government of Pakistan initiated, with AID assistance, a nationwide On-Farm Water Management Program. This program was designed to improve water management on the farm in two important areas : (1) the rehabilitation of watercourses conveying irrigation water to farmers' fields and (2) improving the utilization of water on the farm by precise land leveling (PLL).

This program was initiated partly as a result of research conducted with assistance of Colorado State University (CSU) under a centrally funded AID Water Management Research Grant Project. The results of the water management research showed conclusively, that water losses from irrigation canals to farmers' fields were significantly higher than previously anticipated. An action program embodying the present AID financed Loan and Grant OFWM Project, and supported

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by USDA / SCS/PASA advisory team was initiated to reduce water losses from the nation's 88,000 watercourses and 30 million acres of irrigated farmland.

In the first phase of the Government's OFWM Program approximately 500 watercourses were planned to be rehabilitated and 110,000 acres of farmland leveled. Progress during the first phase of the Program has been slow as a result of the usual start up and administrative problems. It appears however that the momentum has increased and substantial number of the objectives will now be accomplished. AID financial assistance to the GOP OFWM Program consists of a \$7.5 million loan and approximately \$2.3 million grant. AID loan assistance was initiated in 1976 and grant assistance has been provided since 1973. AID grant and loan assistance are scheduled to terminate in December 1980. However, both the International Bank for Reconstruction and Development (IBRD) and the Asian Development Bank (ADB) are planning additional support to the Government's OFWM Program.

The two areas of AID financed assistance : watercourse improvement and PLL are explained below.

(a) Watercourse Improvement

Under the pilot OFWM Project, AID provides dollar financing for materials required for improvements using the Fixed Amount Reimbursement (FAR) method of disbursement. All skilled and non-skilled labor required for the improvements are provided by the farmers. The watercourse improvements generally consist of realigning and rebuilding the earthen watercourses, lining of sections of the watercourse in high water loss areas, and installing structures such as gates, turn outs, drops and culverts along the watercourse. Depending on availability of materials and costs, these improvements are of brick or concrete. Materials costs are estimated at approximately \$9,000 per watercourse.

(b) Precision Land Leveling (PLL)

AID 's efforts in PLL began in 1973 with dollar and rupee funded grant assistance. The PLL activity began under the premise that

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precisely leveled farmland is essential for efficient application of irrigation water by gravity methods. The technology, which employs the use of tractor drawn soil scrapers, has been widely tested in previous projects in Turkey and elsewhere and has been adapted to Pakistan conditions. AID provides dollar financing for approximately half of the estimated local costs for land leveling and a portion of the Government's technical costs through the FAR method. The farmers provide the balance of the remaining costs for leveling farm fields.

3. The Project

The purpose of this five (5) year Rs. 18.5 million proposal is to improve the GOP's OFWM Program. Activities financed under this rupee project will assist the Government in assessing the impact of water management activities and providing information for planners to formulate policy for future investments. The project will also enhance water management activities and strengthen the staff capabilities and performance of water management program personnel. Although AID dollar loan and grant financing for the OFWM Project will terminate in December 1980, the Government is planning to continue water management activities. In addition other donors are planning financing for the GOP's OFWM Program after AID assistance terminates. We believe, therefore, that considerable benefits can be derived from this rupee grant project.

(a) Evaluation and Monitoring

The primary effort under this proposal is the extensive monitoring and evaluation of water management activities financed under the pilot OFWM Project. This extensive monitoring and evaluation activity will provide the Government planners with detailed information about the project and its impact which will be of assistance in designing future water management activities. The monitoring and evaluation activity will be conducted through a contract with the Water and Power Development Authority (WAPDA). WAPDA is not a part of the ongoing OFWM Project.

The Monitoring and Evaluation activity will be divided into four different stages as follows :

- Benchmark data collection
- Monitoring of project implementation
- Project evaluation by follow on studies
- Evaluation of the OFWM training program

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The detailed description and scope of work for the entire monitoring and evaluation effort has been evolved by WAPDA in consultation with the Ministry of Agriculture and Colorado State University advisors.

(b) Information Dissemination

The lack of adequate publicity and dissemination of information about the program has been recognized as one of the major impediments to implementation of the OFWM Project. OFWM Project Joint Evaluations conducted in May 1978 and September 1979 have recognized this problem. This component of the proposal is designed to correct this deficiency and assist future GOP projects. Funds are provided for an information program directed to ongoing project beneficiaries as well as to disseminate information to potentially new project adopters. Project activities include :

- Farmer bulletins and information leaflets
- Farmer field days
- Other technical information dissemination activities.

Administrative staff to support these activities will also be funded.

(c) Training

The On-Farm Water Management Offices at the Federal and Provincial levels have been established under the pilot OFWM Project. Additional technical training of project personnel at all levels will be required to improve water management capabilities. Rupee funds are provided so that OFWM Program related personnel can take advantage of short term overseas training opportunities offered by various bilateral and multilateral donors.

(d) Administrative Support

This component of the project consists of strengthening the technical capabilities of the Water Management Cell in order to carry out a more systematic monitoring of the OFWM Program. A social scientist, research personnel and other technical and administrative personnel are proposed to strengthen the activities

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and capabilities of the Federal level Water Management Cell. In addition, a project support fund for the Soil Conservation Service (SCS) Advisors is also included. This support fund will enable SCS advisors to conduct limited research for testing promising improvements for watercourses, PLL and agriculture. In addition this fund will provide operational support for other advisory activities.

4. Illustrative Budget

The total amount of rupee funds required for this five (5) year activity is Rs.18.5 million. These funds will finance salaries, locally procured commodities, travel, printing, and other administrative and technical support costs for the project.

<u>Five-Year Illustrative Budget</u>	<u>Rs. (000's)</u>
A. Monitoring and Evaluation	11,000
B. Information Dissemination	4,150
C. Training	2,200
D. Administrative Support for OFWM Cell and SCS	1,150
Total :	18,500

5. Project Implementation

This project will be administered by the Ministry of Food, Agriculture and Cooperatives, Water Management Cell. WAPDA will implement the extensive monitoring and evaluation activity outlined in this proposal. WAPDA services for the monitoring and evaluation will be provided through a contract with the Ministry of Food, Agriculture and Cooperatives. The remaining activities planned under this project will be implemented by the Water Management Cell. Personnel trained under the project will be drawn from Federal and Provincial OFWM Offices and other government offices concerned with water management. The project will be implemented as described in the approved Government Project Document (PC-1).

6. Disbursement of Funds

Upon request by the Government, project funds will be provided to the Director, Water Management Cell, Ministry of Food, Agriculture and Cooperatives through the Ministry of Finance. The entire amount

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of funds budgeted for the first fiscal year as set out in the illustrative budget will be released to the Director, Water Management Cell. Subsequent releases will be made after the Director/Water Management Cell has (a) expended 75% of the amount already released in the prior year (b) expenditure reports have been submitted and (c) revised budget and work plans for the forthcoming year have been received . Funds provided under this proposal for SCS support will be retained by A. I. D.



GOVERNMENT REQUEST FOR DOLLAR
AND MONDALE RUPEE ASSISTANCE

No. 1(1)CM-VI/82.
Government of Pakistan
MINISTRY OF FINANCE AND
ECONOMIC AFFAIRS
(ECONOMIC AFFAIRS DIVISION)

Islamabad the, 31st January, 1982.

Telegram : ECONOMIC
Telex : ECDIV No. 05 634
SECRETARY
Phone: 22783

Dear Dr. Lion,

As part of our two Governments' agreement on a six year \$ 1.625 billion economic assistance program, the Government of Pakistan formally requests from AID an additional ten million dollars (\$ 10,000,000) in United States assistance to fund an amendment to the On-Farm Water Management Project (AID Project No.391-0413). Nine million nine hundred thousand rupees (Rs.9,900,000) of Mondale rupees is also requested to amend the Strengthening Water Management Activities Project (AID Project No.391-0452).

2. Subject to the availability of funds, an additional \$ 10 million in ESF grant funds (for the On-Farm Water Management Project) and Rs. 9.9 million in Mondale Rupees (for the Str-engthening Water Management Activities Project) would be provided over a four year period to: (a) reimburse the Government of Pakistan for watercourse improvements already completed or constructed during the amendment period; and, (b) finance short-term and long-term technical assistance, training and commodities to provide support to field staff in design and construction of civil works. The rupee funds will be used to amend the Strengthening Water Management Activities Project to cover the local costs of activities planned for under the dollar-funded project amendment.

3. The Government of Pakistan assures the United States Government of its full cooperation in continuing to carry out the On-Farm Water Management Project and the Strengthening Water Management Activities Project. The manpower, financial, and other inputs required of us will be provided in an expeditious manner.

Contd....P/2...

- : 2 : -

4. We look forward to a continued, combined effort by both our governments to yield a productive and beneficial program for the people of Pakistan.

Yours sincerely,



(Ejaz Ahmad Naik)

Dr. Donor M. Lion,
Director,
USAID Mission,
ISLAMABAD.

March 5, 1982

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA

FROM: ASIA/PD, G. R. van Raalte

SUBJECT: Pakistan - Strengthening Water Management Activities
Project 391-0452 -
Authorization for Use of Excess U.S.-Owned
Pakistani Rupees (Mondale Grant)

Problem: USAID/Islamabad has requested a Mondale Grant to the Government of Pakistan (GOP) of 9.9 million U.S.-owned Pakistani rupees (U.S. \$1.0 million) to support the subject project. These funds will supplement the Rs. 18.5 million already approved and disbursed for the project. Section 104(f) of the Agricultural Trade Development and Assistance Act (P.L. 480) authorizes use of the funds.

(a) Cooperating Country	Pakistan
(b) Authorizing Document	Section 104(f), P.L. 480
(c) Project	Strengthening Water Management Activities (391-0452)
(d) Nature of Funding	P.L. 480 Excess Rupees (Mondale Grant)
(e) Amount	Rs. 9.9 million (approximately U.S. \$1.0 million)

Discussion: The Strengthening Water Management Activities Project is a corollary project to the Pakistan On-Farm Water Management Project (OFWM). The purpose of the latter is to "establish public and private sector capabilities to plan and deliver on-farm water management services." The purpose of the Strengthening Water Management Activities Project is to enhance GOP capabilities to manage the implementation of that project. Assistance is focussed on the Federal Water Management Cell, the GOP agency which has prime responsibility for water management activities. Using assistance thus far provided, that agency has carried out continuing monitoring and evaluation of project activities, has identified and proposed solutions to various water management problems and, through training, has upgraded its capabilities to carry out necessary research efforts.

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FM SFCSTATE WSPDC
TO RUFHIL/AMEMBASSY ISLAMABAD PRIORITY 7644
INFO RUMIBK/AMEMBASSY BANGKOK PRIORITY 0649
BT
UNCLAS STATE 105632

AITAC, FOR RAMC, BANGKOK

F.C. 12065: N/A

TAGS:

SUBJECT: MONDALE RUPEES (AGRICULTURAL RESEARCH,
PROJECT DESIGN FUND, STRENGTHENING WATER MANAGEMENT
ACTIVITIES)

REF: ISLAMABAD 5736

TREASURY ADVISES THAT THE TRANSFER AUTHORIZATION TO
THE REGIONAL ACCOUNTING AND MANAGEMENT CENTER IN
BANGKOK WAS MADE ON APRIL 7, 1982. TRANSFER
AUTHORIZATION NO. 82-7. HAIG

BT
#5632

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**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN**

Cable : USAIDPAK

**HEADQUARTERS OFFICE
ISLAMABAD**

THE DIRECTOR

**USAID/PAKISTAN MISSION DIRECTOR'S WAIVER FOR A.I.D.
PAYMENT OF INTERNATIONAL PARTICIPANT TRAVEL COSTS**

A.I.D. Handbook 10, Chapter 15B1, provides that the cost of international travel, including incidental costs en route as well as the cost of travel between the participant's city and the points of departure and return in the participant's home country, shall be paid by the host government or other sponsor unless, in the case of Mission-funded programs, the Mission Director has justified and authorized full or partial waivers and has so notified S&T/IT.

Training and institution-building are important components of the \$1.625 billion economic assistance program negotiated between the Governments of the U.S. and Pakistan. USAID/Pakistan's experience, however, has been that the Government of Pakistan (GOP), due to serious foreign exchange and budgetary constraints, has been historically unable to fund international travel costs for short-term training programs. The consequence has been that Pakistani participants have, on numerous occasions, been denied worthwhile and much needed training, inhibiting the achievement of project targets.

I have carefully reviewed the advisability of requiring full GOP funding for travel costs for participant training of one year or less and the alternative of funding such travel with grant and loan funds provided through USAID/Pakistan to the GOP. Recognizing the objectives of many of our projects and the fact that project success will be enhanced by encouraging opportunities for short-term training, I have determined that it would be prejudicial to U.S. interests to require that the GOP pay the entire international participant travel costs for training programs of one year or less.

Therefore, on all Mission-funded training programs up to and including one year, USAID/Pakistan shall be responsible for the entire cost of the round-trip economy class air ticket and other necessary incidental costs en route. Where a PIO/P has been originally written for a program of one year or less, but, after the participant has initiated his or her program, the program is extended so that it exceeds one year in total, USAID/Pakistan shall also fund the round-trip ticket. The justification for funding programs that are extended is to minimize administrative problems which are otherwise likely to occur.

On the basis of the above justification and pursuant to Handbook 10, Chapter 15B1a, I, Donor M. Lion, principal officer of the Agency for International Development in Pakistan, do hereby waive the requirement that the host government fully fund international travel for training courses of one year or less and authorize payment with USAID/Pakistan loan and grant funds for travel costs as specified above.

Donor M. Lion

Donor M. Lion
Director
USAID/Pakistan

March 17, 1982

Date