

PD-ABS-1167

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

COUNTRY/ENTITY Somalia

3. PROJECT NUMBER

649-0139

4. BUREAU/OFFICE

AFR

06

5. PROJECT TITLE (maximum 40 characters)

Somalia Rehabilitation and Recovery

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
 09 30 96

7. ESTIMATED DATE OF OBLIGATION

(Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY 93

B. Quarter 4

C. Final FY 94

8. COSTS / 3000 OR EQUIVALENT \$1 =

A. FUNDING SOURCE	FIRST FY 93			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	8,000		8,000	14,000		14,000
(Grant)	(8,000)	()	(8,000)	(14,000)	()	(14,000)
(Loan)	()	()	()	()	()	()
Other U.S. 1. PVOS	—					
2						
Host Country						
Other Donors)						
TOTALS	8,000		8,000	14,000		14,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) DFA						12,000		12,000	
(2) ADA						2,000		2,000	
(3)									
(4)									
TOTALS						14,000		14,000	

10. SECONDARY TECHNICAL CODES (maximum 8 codes of 3 positions each)

220

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code PVOU PVOU
 B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

The purpose of this program is to enhance rehabilitation/recovery efforts to meet basic human needs in Somalia, and the eventual development of Somalia through interested and qualified PVOs.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final 09 96

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

Updated DFA Procurement Guidance, 1/24/93

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

Concur in the methods of implementation and the financial arrangements under this project.

[Signature]
 AFR Bureau Controller

17. APPROVED BY	Signature	Date Signed MM DD YY 06 24 93	18. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
	Title DAD / AFR		



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/EA, J. Paul Guedet *JPG*

SUBJECT: Somalia Rehabilitation and Recovery Project, 649-0139

I. Problem: Your approval is requested to authorize a grant from the Development Fund for Africa (\$12 million) and from the Africa Disaster Assistance Appropriation (\$2 million) for a total of \$14 million for a Cooperative Agreement to a Private Voluntary Organization (PVO) or a PVO Consortium.

II. Discussion: The purpose of this project is to enhance rehabilitation/recovery efforts to meet basic human needs in Somalia, and the eventual development of Somalia through interested and qualified PVOs. During the past several years PVOs have demonstrated their ability to design and implement successful humanitarian and rehabilitation activities in Somalia.

Two years of civil strife and drought have cast Somalia into significant disarray and has deteriorated the social order and weakened the country. The combination of drought, famine, pestilence, and war have devastated the Somali population, shattered an already fragile economy and frayed the social fabric of a nomadic culture. Somali refugees in neighboring countries number over 500,000; estimated famine death toll approaches 300,000; and approximately one million people continue to suffer from lack of food and serious health problems. The provision of international food relief and medical supplies was increased in August 1992 under Operation Provide Relief, temporarily relieving the hunger and suffering for most of the population.

This activity will consist of a Cooperative Agreement granted to a lead PVO or a PVO consortium, followed by sub-grants to PVOs to design activities directed to rehabilitation and recovery in Somalia, and to provide institutional development of local Non-Governmental Organizations (NGO), while providing essential technical assistance training, commodities and community development efforts. A portion of sub-grants that provide direct

services to beneficiaries will focus on certain targeted populations, including infants and children, the elderly and handicapped and recently unemployed, in regions and areas where development needs are greatest. Priority for direct service delivery will be focused on activities which address basic human needs in the areas of agriculture, health, and employment generation. When viewed together, sub-grants will constitute a program which is balanced in terms of geographic coverage, target populations served, and technical areas addressed. Sub-grantees will be encouraged, where appropriate, to identify a local entity to share the implementation of an activity.

III. Horn of Africa Act: This assistance to Somalia is permissible under Section 6 of the Horn of Africa Act, even though Somalia is subject to the Brooke Sanction since it will be provided through private and voluntary organizations.

IV. Environmental Considerations: A Categorical Exclusion, Negative Determination, and Deferral are recommended for certain categories of interventions under this project. While the interventions will be mainly in the agricultural and health sectors, it is not yet possible to identify the specific types of activities which will be implemented. This determination has been made and signed by the Africa Bureau's Environmental Officer.

V. Implementation and Management Responsibilities: This project will be implemented by a lead PVO or a PVO Consortium with managerial oversight by the USAID Mission in Somalia, with legal, financial and contracting services provided by REDSO/EA.

VI. Waivers: The FAA Section 110 requirement for a 25% host country contribution does not apply to this project because this project is not obligated with a host government. A.I.D. policy requires that PVOs contribute at least 25% of the cost of an operational program grant, at least part of which should be cash. However, Handbook three permits the person approving the project to waive this requirement, in this case the Acting AA/Africa.

VII. Justification to the Congress: A Congressional Notification (CN) indicating that A.I.D. intends to authorize this project, and obligate \$8,000,000 in FY 1993 was submitted to Congress on June 7, 1993; no objections were raised during the 15-day waiting period.

VIII. Project Review Committee Action: An issues meeting for the Concept Paper was reviewed, and recommended for approval on April 8, 1993. For the purpose of the review, this document was considered a Project Identification Document, and an Executive Committee Project Review (ECPR) was not deemed necessary. The ECPR for the final Project Paper was held on May 19, 1993, chaired by DAA/AFR.

2

IX. Recommendation: That you sign the attached Project Authorization, and thereby approve the life-of-project funding of \$14,000,000 for the Somalia Rehabilitation and Recovery Project.

Approve: John F. Heiler

Disapprove: _____

Date: 6/28/93

Drafted: AFR/EA:JPguedet:6/15/93:x75235:SOMALIA\RFAMEM.JPG

Clearances:	AFR/EA:RGold	<u>[Signature]</u>	Date	<u>4/17/93</u>
	AFR/DP:JGovan	<u>[Signature]</u>	Date	<u>6-18</u>
	GC/AFR:MAKleinjan	<u>[Signature]</u>	Date	<u>6/17/93</u>
	OFDA: new	<u>[Signature]</u>	Date	<u>6/18/93</u>
	FA/B/PB/C: new	<u>[Signature]</u>	Date	<u>6-18-93</u>
	DAA/AFR:RCobb	<u>[Signature]</u>	Date	<u>6/24/93</u>

PROJECT AUTHORIZATION

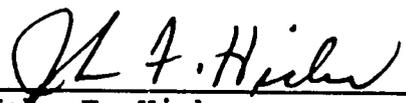
Name of Country: Somalia
Name of Project: Somalia Rehabilitation and Recovery Project
Number of Project: 649-0139

1. Pursuant to section 496 and chapters 1 and 10 of Part I of the Foreign Assistance Act of 1961, as amended, I hereby authorize the PVO Support Project [the "Project"] for Somalia [the "Cooperating Country"] involving planned obligations of not to exceed Fourteen Million United States Dollars [\$14,000,000] in grant funds over a two year period from date of initial authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project. The funds are authorized as follows, except as A.I.D. may otherwise agree in writing: Twelve Million United States Dollars [U.S.\$12,000,000] from the Development Fund for Africa appropriation for funds authorized by section 496 and Two Million United States Dollars [U.S. \$2,000,000] from the Sub-Saharan Africa Disaster Assistance appropriation for funds authorized pursuant to chapters 1 and 10. The project assistance completion date ["PACD"] is September 30, 1996, except as A.I.D. may otherwise agree in writing.

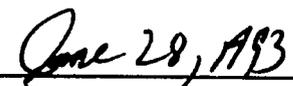
2. The Project will enhance rehabilitation and recovery efforts to meet basic human needs in Somalia, and the eventual development of Somalia through interested and qualified PVOs.

3. The Grant Agreement[s] which may be negotiated and executed by the officer[s] to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

4.a. The source and origin of commodities and the nationality of suppliers of goods and services financed by A.I.D. under the Project shall be as stipulated in the Updated DFA Procurement Guidance dated January 24, 1993, as amended from time to time, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of countries included in A.I.D. Geographic Code 935.



John F. Hicks
Acting Assistant Administrator
Bureau for Africa



Date

Clearances:

DAA/AFR RCobb EC Date 6-24-93¹
AFR/EA PGuedet JPG Date 6-16-93
AFR/DP MBonner MB Date 6-21-93

Drafter: GC/AFRMAKleinjan5/25/93x79218

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I. PROGRAM DESCRIPTION

This is a Request for Applications (RFA) for a lead Private Voluntary Organization (PVO) or PVO consortium to: (1) serve as the principle PVO coordinator and management unit responsible for initiating, reviewing/approving new PVO proposals, then managing and monitoring these activities that are proposed and implemented by other PVOs in the areas of agriculture, health, and employment generation, that will enhance the rehabilitation efforts in Somalia; (2) ensure that indigenous PVOs participate in the rehabilitation process by incorporating these local entities, whenever feasible, within the implementation responsibilities of activities initiated by foreign PVOs, as well as solicit indigenous PVOs/NGOs to submit proposals; and (3) provide guidance and assistance necessary to institutionally strengthen indigenous PVOs'/NGOs' managerial and implementation skills for eventual assumption of increasing responsibility for rehabilitation activities.

II. PURPOSE

The purpose of this program is to enhance rehabilitation/recovery efforts to meet basic human needs in Somalia, and the eventual development of Somalia through interested and qualified PVOS.

III. OBJECTIVES

Rapidly design and implement a sustainable rehabilitation/recovery assistance package that will utilize PVOs to: (1) build on the present humanitarian efforts of existing PVO activities; (2) serve as a transition between humanitarian/relief to long-term developmental assistance; (3) restore critical services to enable the Somalis to rebuild their country; and (4) complement the United Nations Operations in Somalia (UNOSOM) humanitarian assistance program.

IV. RATIONALE

PVOs have demonstrated their ability to design and implement successful humanitarian and rehabilitation activities, and to foster the strengthening and development of indigenous NGOs. Approximately fifty international PVOs are actively engaged in Somalia, of which an estimated fifteen are U.S. PVOs. In addition there are numerous local NGOs seeking support to initiate other rehabilitation activities.

V. BACKGROUND

Somalia became independent on July 1, 1960 with the merging of British and Italian Somaliland. Unlike other African countries, Somalia's estimated six million people are without major ethnic diversity, enjoying a common language and religion (Sunni Muslims). These commonalities have neither produced a social cohesiveness nor unifying national interests. Instead, divisive

clan rivalries, fueled by the availability of arms, have led to a protracted civil war, resulting in the overthrow of President Siad Barre in early 1991. Absent a visible national leader, a political and military vacuum developed which further intensified political rivalries that had previously been held precariously in check by the fragile and unpopular government. The collapse of social order, in the absence of a functioning government, has weakened the fledgling nation-state. The tribal elders, who traditionally are respected, have lost some of their influence as a result of an emerging class of power-brokers consisting of clan leaders, youth gangs, and commercial traders. The changing social structure and the drought have cast the agricultural sector into significant disarray.

Economically and culturally, agriculture is Somalia's most important sector. Most Somalis depend on livestock for trade, diet and transport. Prior to the civil war, livestock represented 40% of Somalia's domestic economy and approximately 65% of export revenues. Large regions of the country have lost enormous portions of the nomadic herd. Farming has also suffered.

The combination of drought, famine, pestilence, and war have devastated the Somali population, shattered an already fragile economy and frayed the social fabric of a nomadic culture. Somali refugees in neighboring countries number over 500,000; estimated famine death toll approaches 300,000; and approximately one million people continue to suffer from lack of food and serious health problems. The provision of international food relief and medical supplies was increased in August 1992 (Operation Provide Relief), temporarily relieving the hunger and suffering for most of the drought-stricken population.

VI. DETAILED PROJECT DESCRIPTION

This activity will consist of a Cooperative Agreement negotiated with a lead PVO or a PVO consortium, which will be authorized to issue sub-grants designed to enhance rehabilitation/recovery in Somalia and to provide institutional development of local Non-Governmental Organizations (NGOs), while providing essential technical assistance/training, commodities and community development efforts. The portion of sub-grants providing direct services to beneficiaries will focus on certain targeted populations (including infants and children, the elderly and handicapped and recently unemployed) in regions/areas where development needs are greatest. Priority for direct service delivery will be focused on activities which address basic human needs in the areas of agriculture, health and employment generation.

Although participation in this activity is restricted to U.S. PVOs or PVO consortium, sub-grants will not be limited to PVOs

registered with A.I.D. Sub-grants are anticipated to not exceed \$600,000 and to be completed within 24 months. When viewed together, sub-grants are to constitute a program which is balanced in terms of geographic coverage, target populations served and technical areas addressed. Additionally, sub-grantees will be encouraged, where appropriate, to identify a local entity to share the implementation of an activity. Following are the specific areas of concentration of this program.

The lead PVO or PVO consortium will develop criteria to evaluate the personnel qualifications, African project experiences, managerial capabilities, and proposals of PVOs that are requesting consideration for sub-grants in the areas of agricultural, health, and employment generation. Similarly, the lead PVO or PVO consortium will prepare and utilize evaluation criteria to measure the ability and qualifications of local indigenous NGOs/PVOs to initiate and manage activities for these sectors in Somalia. In order to realize significant participation by indigenous NGOs/PVOs, a minimum of 30% of funds annually committed will be awarded to qualified indigenous NGOs/PVOs. This target can be satisfied by direct sub-grants and/or by employing locally qualified organizations as implementors of sub-grantees' activities.

A. Health

The lead PVO and sub-grantees will be expected to identify, plan and initiate activities in community-level primary health care, with an emphasis on preventive rather than curative services. Activities would include the establishment of health posts and centers in both rural and urban areas, training of community health personnel, and establishment of systems and services in Maternal/Child Health (MCH), immunization, nutrition, health education, child spacing, diarrheal disease control, control of respiratory tract infections, malaria treatment and other key child survival interventions, and limited out-patient services. These service providers and sites should be closely linked to community administrative structures and supported by communities both financially or in-kind. The systems and services established should be aimed at becoming self-sufficient in the near term (e.g., by charging fees and having substantial local community involvement), and should be models for Somalia health personnel and other donors to replicate.

Focus will also be provided to the development of special programs to meet the specific, unique needs of war victims, displaced families and children, and orphans. Activities would include psycho-social counseling, prosthetics, and physical and vocational rehabilitation.

Additionally, approaches need to be tested and expanded for providing health care services to nomadic and semi-nomadic families and communities; for the development of referral and support services at high administrative and technical levels (e.g., district and regional levels); for the development of linkages to the private sector (e.g., pharmacies and other commercial networks, and private health practitioners and traditional healers), and for the development of components in linked sectors, such as education, water resources development, and food production and consumption.

B. Agriculture

The lead PVO and sub-grantees will identify and initiate interventions in the agricultural sector which are intended to result in increased self-sufficiency in basic food production, with an emphasis on the livestock sector. The PVO will identify interventions which will assist in improving the livestock herds of Somalia, including stocking systems and the distribution, composition and location of herds; vaccination and animal health programs, and livestock marketing programs (including credit, transportation and export activities).

The PVOs will also seek to initiate activities aimed at improving crop production, including addressing constraints such as farm labor, land, seeds, equipment, and other inputs, such as fertilizer, which could improve food grains production. Irrigation rehabilitation and the resettlement of displaced farm families should be a particular focus of activity. The establishment of agricultural markets for grains and other food crops should also be a source of activity.

C. Employment Generation

The lead PVO and sub-grantees would identify and initiate activities intended to have quick-impact, employment generation benefit for the thousands who are without employment. The emphasis in this field should be on providing economic opportunities for women and youth, particularly in urban areas. Various innovative job-creation programs should be undertaken, such as rubbish cleaning of Mogadishu streets, food and/or cash for work, repair and rehabilitation of civil works and infrastructure (rural roads, health clinics, irrigation systems, sanitation systems, etc.). Priority should be given to the creation of jobs which lead to other or continued employment, preferably by the local community being benefitted, such as the maintenance of irrigation systems or the continued upkeep of an urban community structure used as a local school and

assembly hall. Small-scale private enterprise activities are suggested for consideration by PVOs.

VII. ADMINISTRATIVE AND IMPLEMENTATION ARRANGEMENTS

The lead PVO or PVO Consortium responsibilities and authorities will include: (1) in concert with the USAID/Somalia Mission, identify specific rehabilitation/recovery activities needed in towns, villages and rural areas and request PVOs to submit proposals to address these needs; (2) criteria for developing proposals for sub-grants will be the same as established in the Request for Applications for the Cooperative Agreement; (3) review all appropriate proposals received from qualified PVOs; (4) approve the most technically sound and competitive proposal for each site specific requirement, and independent of USAID, award sub-grant not to exceed \$300,000; (5) proposals exceeding \$300,000 will be similarly handled, except prior to awarding a sub-grant, USAID/Somalia Mission must concur with the recommended award; (6) the lead PVO or PVO Consortium will provide managerial oversight and monitoring for all sub-grant projects by conducting frequent field visits to each activity, prepare quarterly reports of all the projects for USAID/Somalia, and draft final reports upon completion of each sub-grant activity; (7) all final reports will include detailed financial data, record accomplishments, and indicate the sub-grant activity's contribution to the rehabilitation/recovery and long-term development of Somalia; and (8) the lead PVO will be limited to receiving one sub-grant award in only one of the three main areas of concentration under this program, i.e. health, agriculture, or employment generation. Similarly, the PVO Consortium will be limited to receiving a number of sub-grants equal to the number of PVOs in the Consortium. Any proposal submitted by the lead PVO or PVO Consortium will be reviewed, and approved by USAID/Somalia. Furthermore, USAID/Somalia personnel will monitor and provide oversight to personnel implementing this activity. This arrangement will avoid any possible conflict of interest that could arise with a lead PVO, which is serving as a USAID/Somalia management unit, approving and monitoring its own initiated activity.

VIII. PROPOSED BUDGET

This activity will be jointly funded by the African Disaster Relief, Rehabilitation and Recovery Act (ADA) and the Development Fund for Africa (DFA). The ADA funding source will represent an estimated two million dollars and DFA's FY 1993 allotment will be twelve million dollars, for a total budget of fourteen million dollars with a life of project of three years. Beyond the current fiscal year of ADA funds, this project could be funded from the International Disaster Assistance account. The grant(s) and sub-grants approved under this program that include identifiable "long-term development impact" will be funded from

the DFA allocation, whereas all other activities, representing an emergency or short-term need, will receive ADA funds. Cost estimates for the lead institution and for some sub-grant proposals will be reviewed by USAID/Mogadishu to establish reasonable cost for intended services. Based on intimate knowledge of costs of ongoing similar activities in Somalia and experience with a major PVO project in Somalia in the mid-1980's, the Mission, with REDSO/EA support, is aware of cost details to ensure that A.I.D. engages in contracts that are reasonably priced. Cost estimates for each PVO proposal will be reviewed by the lead PVO management unit or a USAID official prior to approval of a sub-grant to a PVO. The overall demand for rehabilitation work vastly exceeds the amount proposed for this project. This addresses the 611(a) cost requirement.

IX. RECOMMENDED ENVIRONMENTAL THRESHOLD DECISION

A Categorical Exclusion, Negative Determination and Deferral respectively are recommended for Category 1, 2, and 3 activities under the PVO Umbrella Grant. While the interventions will be mainly in the agricultural and health sectors, it is not yet possible to identify the specific types of activities which will be implemented. Given the unique and urgent circumstances in Somalia, the implementing umbrella PVO will be charged with taking the lead in classifying activities according an impact classification checklist (matrix) provided in the USAID Africa Bureau's *PVO/NGO Environmental Guidelines*, and summarized herein. One of the evaluation criteria for the proposals responding to the RFA will be capacity of the umbrella PVO to carry out environmental review and to credibly mitigate predictable impacts (subsumed within item 2.b. of the Technical Evaluation Criteria, Attachment 3 to RFA).

Sub-grants and activities thus will be classified by the lead PVO according to the categories given in this IEE. Attachment Six of the RFA provides more information on the classification process. Activities will be classified as follows:

-- activities with no effect on the physical or natural environment (Categorical Exclusion, Category 1);

-- activities which will have no significant, or minor, impact on the environment, but which may need some modification during implementation to assure mitigation of predictable impacts (Negative Determination -- Category 2); and

--activities with potentially significant environmental impacts, thus requiring further review by a USAID direct-hire officer, the Regional Environmental Officer. All items in Sect. 216.2(d)(1) of "Reg. 16" (A.I.D. Environmental Procedures) are automatically included (see Attachment 6 of

the RFA). Normally, a mitigation plan will be needed. (Deferral -- Category 3).

The project is not expected to have a significant impact on threatened and endangered species or critical habitats, because the grant activities will be carried out in areas already inhabited, under cultivation, or in agricultural fallow regimes.

The project's IEE determined that the umbrella PVO itself will undertake an environmental review and/or categorization of all subactivities. The lead PVO has the option to require each potential subgrantee to prepare the initial analysis. For those subactivities which are determined by the lead PVO to fit Categories 1 and 2, the Bureau Environmental Officer hereby approves a categorical exclusion and negative determination, respectively, and no further A.I.D. action is required. It is anticipated that a large majority of activities will fall within Categories 1 and 2. The lead PVO will ensure that any proposed mitigation of impacts for Category 2 subactivities is implemented.

For those sub-activities classified in Category 3, the umbrella PVO shall submit the appropriate sub-activity description -- and any evaluations, reviews and/or mitigation plans of the activity -- to the Regional Environmental Officer (REO) (direct hire A.I.D. staff) based at REDSO/ESA. The REO will review these activities and determine appropriate next steps, in consultation with the mission.

For monitoring and evaluation purposes, the PVO's grant manager would on a routine basis pass to the Mission Director, REO and Bureau Environmental Officer an up-dated list of sub-activity grants, with summary of activities where necessary, so as to keep them apprised of the area and scope of activities involved.

Note: in the event that a need arises for pesticide interventions to assist in combatting Desert Locust outbreaks in Somalia (given the currently developing upsurge in the Red Sea area), it should be noted that a country-specific Supplementary Environmental Assessment (SEA) is soon expected to be in place (Summer 1993) for Somalia under the A.I.D. Programmatic Environmental Assessment of USAID Locust/Grasshopper Control Programs in Africa and Asia (PEA). Compliance by the lead PVO with the mitigation measures laid out in the PEA and Somalia SEA may satisfy USAID regulatory requirements.

X. EVALUATION

The lead PVO or PVO consortium will budget for and implement an on-going evaluation plan which will include an independent mid-term and final evaluation, with A.I.D. having substantial involvement in the selection of the evaluator and the scope of

work.

XI. AUDIT

Audit and audit compliance requirements, as provided in the Inspector General Act of 1978, AID Handbook 13 and OMB Circular A-133, shall apply to all grantees and sub-grantees receiving funds provided under this agreement. This includes those provisions applicable specifically to U.S. and foreign grantee PVOs, and sub-grantee PVOs.

XII. WAIVER OF PVO'S 25% CONTRIBUTION

The FAA section 110 requirement for a 25% host country contribution does not apply to this project because this activity is not obligated with a host government. A.I.D. policy requires that PVOs contribute at least 25% of the cost of an operational program grant (OPG), at least part of which should be cash (Handbook 3, Chapter 4B5(e)(5)(a); 1982 PVO Policy Paper, sec. IIB1c). However, Handbook 3 also permits the person approving the activity to waive these requirements, in this case the AA/Africa.

These policy requirements are inapplicable to the umbrella PVO for its management activities because they do not constitute an OPG, in that the activity was not initiated and designed by the PVO. However, the requirements may apply to many of the sub-grants under this project since many of them may be initiated and designed by the sub-grantee PVOs. A waiver of the 25%/cash requirements is justified because many of the sub-grantees may be small, indigenous PVOs without an independent source of funds, but whom it is nevertheless important to include in the project. A waiver is appropriate even for U.S. PVOs, since, in light of the war devastation in Somalia, it is important that rehabilitation activities occur. Given the insecurity in the country, the participation of a PVO willing to work there should not be discouraged because it can not contribute 25% of the project's cost or cash. One of the reasons for requiring the contribution is to demonstrate a PVO's commitment to an activity. Given the current insecurity in Somalia, the fact that a PVO is even willing to work there is ample evidence of its commitment. Therefore, no efforts will be made to obtain a 25% contribution or a contribution less than that.

XIII. PROPOSED TIMING OF PERTINENT PROGRAM EVENTS

- | | |
|--|---------|
| 1. Prepare project documentation and contracting package | May 17 |
| 2. Review project at ECPR | May 18 |
| 3. Prepare Congressional Notification | May 24 |
| 4. Authorize Project | June 30 |
| 5. RFA distributed | July 1 |

- | | |
|---|--------------|
| 6. Deadline for RFA proposals | August 1 |
| 7. RFA review completed | August 15 |
| 8. Cooperative Agreement negotiated and signed | August 30 |
| 9. Lead PVO or PVO consortium mobilized and
in Somalia | September 15 |
| 10. First sub-grant awarded | September 30 |

APPENDIX 5C - A.I.D. PROJECT STATUTORY CHECKLIST

Introduction

The statutory checklist is divided into two parts:
5C(1) - Country Checklist; and 5C(2) - Assistance Checklist.

The Country Checklist, composed of items affecting the eligibility for foreign assistance of a country as a whole, is to be reviewed and completed by AID/W at the beginning of each fiscal year. In most cases responsibility for preparation of responses to the Country Checklist is assigned to the desk officers, who would work with the Assistant General Counsel for their region. The responsible officer should ensure that this part of the Checklist is updated periodically. The Checklist should be attached to the first PP of the fiscal year and then referenced in subsequent PPs.

The Assistance Checklist focuses on statutory items that directly concern assistance resources. The Assistance Checklist for FY 1993 includes items previously included under separate "project assistance," "nonproject assistance," and "standard item" checklists. The Assistance Checklist should be reviewed and completed in the field, but information should be requested from Washington whenever necessary. A completed Assistance Checklist should be included with each PP; however, the list should also be reviewed at the time a PID is prepared so that legal issues that bear on project design are identified early.

The Country and Assistance Checklists are organized according to categories of items relating to Development Assistance, the Economic Support Fund, or both.

These Checklists include the applicable statutory criteria from the Foreign Assistance Act of 1961 ("FAA"); various foreign assistance, foreign relations, anti-narcotics and international trade authorization enactments; and the FY 1993 Foreign Assistance Appropriations Act ("FY 1993 Appropriations Act").

These Checklists do not list every statutory provision that might be relevant. For example, they do not include country-specific limitations enacted, usually for a single year, in a foreign assistance appropriations act. Instead, the Checklists are intended to provide a convenient reference for provisions of relatively great importance and general applicability.

Prior to an actual obligation of funds, Missions are encouraged to review any Checklist completed at an earlier phase in a project or program cycle to determine whether more recently enacted provisions of law included on the most recent Checklist may now apply. Because of the reorganization and consolidation of checklists reflected here, such review may be particularly important this year. Space has been provided at the right of the Checklist questions for responses and notes.

5C(1) - COUNTRY CHECKLIST

SOMALIA FY 1993

Listed below are statutory criteria applicable to the eligibility of countries to receive the following categories of assistance: (A) both Development Assistance and Economic Support Funds; (B) Development Assistance funds only; or (C) Economic Support Funds only.

A. COUNTRY ELIGIBILITY CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUND ASSISTANCE

1. Narcotics Certification

(FAA Sec. 490): (This provision applies to assistance provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance relating to international narcotics control, disaster and refugee relief assistance, narcotics related assistance, or the provision of food (including the monetization of food) or medicine, and the provision of non-agricultural commodities under P.L. 480. This provision also does not apply to assistance for child survival and AIDS programs which can, under section 542 of the FY 1993 Appropriations Act, be made available notwithstanding any provision of law that restricts assistance to foreign countries.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct

NA

source of illicit drugs significantly affecting the United States, through which such drugs are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government):

(1) has the President in the April 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without Congressional enactment, within 45 calendar days, of a resolution disapproving such a certification), that (a) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals and objectives established by the U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, or that (b) the vital national interests of the United States require the provision of such assistance?

(2) with regard to a major illicit drug producing or drug-transit country for which the President has not certified on April 1, has the President determined and certified to Congress on any other date (with enactment by Congress of a resolution approving such certification) that the vital national interests of the United States require the provision of assistance, and has also certified that (a) the country has undergone a fundamental change in government, or (b) there has been a fundamental change in the conditions that were the reason why the President had not made a "fully cooperating" certification.

2. Indebtedness to U.S. citizens (FAA Sec. 620(c): If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where: (a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity?

NA - assistance to a government is not contemplated

3. Seizure of U.S. Property (FAA Sec. 620(e)(1)): If assistance is to a government, has it (including any government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

NA - assistance to a government is not contemplated

4. Communist countries (FAA Secs. 620(a), 620(f), 620D; FY 1993 Appropriations Act Secs. 512, 543): Is recipient country a Communist country? If so, has the President: (a) determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by

No

the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism, or (b) removed a country from applicable restrictions on assistance to communist countries upon a determination and report to Congress that such action is important to the national interest of the United States? Will assistance be provided either directly or indirectly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, Iran or Syria? Will assistance be provided to Afghanistan without a certification, or will assistance be provided inside Afghanistan through the Soviet-controlled government of Afghanistan?

5. **Mob Action (FAA Sec. 620(j)):** Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property?

This was taken into consideration in approving the FY 93 OYB.

6. **OPIC Investment Guaranty (FAA Sec. 620(l)):** Has the country failed to enter into an investment guaranty agreement with OPIC?

No - an agreement was entered into in 1964.

7. **Seizure of U.S. Fishing Vessels (FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5):** (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made?

No

8. **Loan Default (FAA Sec. 620(q); FY 1993 Appropriations Act Sec. 518 (Brooke Amendment)):** (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1990 Appropriations Act appropriates funds?

Since Somalia is in default, assistance will be financed only under the Horn of Africa Act or with funds which are "notwithstanding" these sanctions.

9. **Military Equipment (FAA Sec. 620(s)):** If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

NA

10. **Diplomatic Relations with U.S. (FAA Sec. 620(t)):** Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?

While diplomatic relations were suspended on May 8, 1991, they have not been severed.

11. **U.N. Obligations (FAA Sec. 620(u)):** What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the "Taking into Consideration" memo.)

Somalia's arrearages were taken into consideration in a separate memo.

12. **International Terrorism**

a. **Sanctuary and support (FY 1993 Appropriations Act Sec. 554; FAA Sec. 620A):** Has the country been determined by the President to: (a) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or (b) otherwise support international terrorism, unless the President has waived this restriction on grounds of national security or for humanitarian reasons?

No

b. Airport Security (ISDCA of 1985 Sec. 552(b)). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures?

No

13. Discrimination (FAA Sec. 666(b)). Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA?

No

14. Nuclear Technology (FAA Secs. 669, 670): Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.)

No

15. Algiers Meeting (ISDCA of 1981, Sec. 720): Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the "Taking into Consideration" memo.)

This has been taken into consideration in a separate memo.

16. **Military Coup** (FY 1993 Appropriations Act Sec. 513): Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance?

No

17. **Refugee Cooperation** (FY 1993 Appropriations Act Sec. 538): Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin?

Yes

18. **Exploitation of Children** (FAA Sec. 116(b)): Does the recipient government fail to take appropriate and adequate measures, within its means, to protect children from exploitation, abuse or forced conscription into military or paramilitary services?

Assistance is not being provided to a government.

B. **COUNTRY ELIGIBILITY CRITERIA APPLICABLE ONLY TO DEVELOPMENT ASSISTANCE ("DA")**

1. **Human Rights Violations** (FAA Sec. 116): Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

No

2. **Abortions** (FY 1993 Appropriations Act Sec. 534): Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary

No

sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

C. COUNTRY ELIGIBILITY CRITERIA APPLICABLE ONLY TO ECONOMIC SUPPORT FUNDS ("ESF")

Human Rights Violations (FAA Sec. 502B): Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

NA

5C(2) - ASSISTANCE CHECKLIST

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE? Yes

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1. **Host Country Development Efforts** (FAA Sec. 601(a)): Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.

Reconstruction of Somalia will facilitate its participation in international trade.

2. **U.S. Private Trade and Investment** (FAA Sec. 601(b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

US PVOs will be major participants in the project.

3. Congressional Notification

a. **General requirement** (FY 1993 Appropriations Act Sec. 522; FAA Sec. 634A): If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the Appropriations Act notification requirement has been waived because of substantial risk to human health or welfare)?

A CN was submitted on June 7, 1993 and expired with no objection on June 22.

b. **Notice of new account obligation** (FY 1993 Appropriations Act Sec. 514): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?

NA

c. **Cash transfers and nonproject sector assistance** (FY 1993 Appropriations Act Sec. 571(b)(3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?

NA

4. **Engineering and Financial Plans** (FAA Sec. 611(a)): Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes

5. **Legislative Action** (FAA Sec. 611(a)(2)): If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action

NA

will be completed in time to permit orderly accomplishment of the purpose of the assistance?

6. **Water Resources** (FAA Sec. 611(b); FY 1993 Appropriations Act Sec. 501): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

NA

7. **Cash Transfer and Sector Assistance** (FY 1993 Appropriations Act Sec. 571(b)): Will cash transfer or nonproject sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)?

NA

8. **Capital Assistance** (FAA Sec. 611(e)): If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?

Project is not capital assistance

9. **Multiple Country Objectives** (FAA Sec. 601(a)): Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

Reconstruction of Somalia will facilitate its participation in international trade.

10. **U.S. Private Trade** (FAA Sec. 601(b)): Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

US PVOs will be major participants in the project.

11. **Local Currencies**

a. **Recipient Contributions** (FAA Secs. 612(b), 636(h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

The USG does not own excess shillings. Indigenous NGOs may contribute some local currencies for local costs if they are able.

b. **U.S.-Owned Currency** (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No

c. **Separate Account** (FY 1993 Appropriations Act Sec. 571). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:

NA

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

(3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

12. Trade Restrictions

a. **Surplus Commodities** (FY 1993 Appropriations Act Sec. 520(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

Assistance will not be provided for this purpose.

b. **Textiles (Lautenberg Amendment)** (FY 1993 Appropriations Act Sec. 520(c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of

Assistance will not be provided for this purpose.

textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

13. **Tropical Forests** (FY 1991 Appropriations Act Sec. 533(c)(3) (as referenced in section 532(d) of the FY 1993 Appropriations Act): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas?

No

14. **PVO Assistance**

a. **Auditing and registration** (FY 1993 Appropriations Act Sec. 536): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?

The umbrella (prime) grant(s) will be registered PVOs.

b. **Funding sources** (FY 1993 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

Yes

15. **Project Agreement Documentation** (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

NA

16. Metric System (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy):

NA

Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

17. Women in Development (FY 1993 Appropriations Act, Title II, under heading "Women in Development"): Will assistance be designed so that the percentage of women participants will be demonstrably increased?

Women will be able to participate equally.

18. Regional and Multilateral Assistance (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.

NO

19. Abortions (FY 1993 Appropriations Act, Title II, under heading "Population, DA," and Sec. 524):

a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No

b. Will any funds be used to lobby for abortion? No

20. **Cooperatives (FAA Sec. 111):** Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life? Activities with cooperatives will be eligible for PVO subgrants.

21. U.S.-Owned Foreign Currencies

a. **Use of currencies (FAA Secs. 612(b), 636(h); FY 1993 Appropriations Act Secs. 507, 509):** Are steps being taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services. The USG does not own excess foreign currencies

b. **Release of currencies (FAA Sec. 612(d)):** Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No

22. Procurement

a. **Small business (FAA Sec. 602(a)):** Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Contracts are not contemplated

b. **U.S. procurement (FAA Sec. 604(a) as amended by section 597 of the FY 1993 Appropriations Act):** Will all procurement be from the U.S., the recipient country, or developing countries except as otherwise determined in accordance with the criteria of this section? Procurement with DFA funds will be in accordance with DFA procurement guidelines for PVO activities.

- c. Marine insurance (FAA Sec. 604(d)):** If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Yes
- d. Non-U.S. agricultural procurement (FAA Sec. 604(e)):** If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) NA
- e. Construction or engineering services (FAA Sec. 604(g)):** Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) Such services will not be financed under the project
- f. Cargo preference shipping (FAA Sec. 603):** Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? No for DFA-funded activities
Cargo preference does not apply to ADA funds.
- g. Technical assistance (FAA Sec. 621(a)):** If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the Yes

facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

h. U.S. air carriers
(International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?

For DFA-funded activities DFA procurement procedures will apply.

i. Termination for convenience of U.S. Government (FY 1993 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

Yes, although contracts to which the USG is a party is not contemplated.

j. Consulting services
(FY 1993 Appropriations Act Sec. 523): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?

Assistance is not for a consulting service.

k. Metric conversion
(Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest

NA

documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

1. **Competitive Selection Procedures** (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes, although the use of grants/cooperative agreements, rather than contracts is contemplated.

23. Construction

a. **Capital project** (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used?

NA

b. **Construction contract** (FAA Sec. 611(c)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

NA

c. **Large projects, Congressional approval** (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress?

NA

24. **U.S. Audit Rights** (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?

NA

25. **Communist Assistance** (FAA Sec. 620(h)). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries?

Yes

26. Narcotics

a. Cash reimbursements (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? Yes

b. Assistance to narcotics traffickers (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? Yes

27. Expropriation and Land Reform (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes

28. Police and Prisons (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes

29. CIA Activities (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? Yes

30. Motor Vehicles (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? DFA procurement procedures apply to DFA-funded activities.

31. **Military Personnel** (FY 1993 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes
32. **Payment of U.N. Assessments** (FY 1993 Appropriations Act Sec. 505): Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? Yes
33. **Multilateral Organization Lending** (FY 1993 Appropriations Act Sec. 506): Will assistance preclude use of financing to carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes
34. **Export of Nuclear Resources** (FY 1993 Appropriations Act Sec. 510): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? Yes
35. **Repression of Population** (FY 1993 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes
36. **Publicity or Propaganda** (FY 1993 Appropriations Act Sec. 516): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? No

37. **Marine Insurance** (FY 1993 Appropriations Act Sec. 560): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? Yes

38. **Exchange for Prohibited Act** (FY 1993 Appropriations Act Sec. 565): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law? No

39. **Commitment of Funds** (FAA Sec. 635(h)): Does a contract or agreement entail a commitment for the expenditure of funds during a period in excess of 5 years from the date of the contract or agreement? No

40. **Impact on U.S. Jobs** (FY 1993 Appropriations Act, Sec. 599):

(a) Will any financial incentive be provided to a business located in the U.S. for the purpose of inducing that business to relocate outside the U.S. in a manner that would likely reduce the number of U.S. employees of that business? No

(b) Will assistance be provided for the purpose of establishing or developing an export processing zone or designated area in which the country's tax, tariff, labor, environment, and safety laws do not apply? If so, has the President determined and certified that such assistance is not likely to cause a loss of jobs within the U.S.? No

(c) Will assistance be provided for a project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country?

No

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. Agricultural Exports (Bumpers Amendment) (FY 1993 Appropriations Act Sec. 521(b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

No

2. Tied Aid Credits (FY 1993 Appropriations Act, Title II, under heading "Economic Support Fund"): Will DA funds be used for tied aid credits?

No

3. Appropriate Technology (FAA Sec. 107): Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

PVO proposals may include such technology.

4. Indigenous Needs and Resources (FAA Sec. 281(b)): Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

Involvement of indigenous organizations will be encouraged.

5. Economic Development (FAA Sec. 101(a)): Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes

6. Special Development Emphases (FAA Secs. 102(b), 113, 281(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

The project will support (a), (c) and (d)

7. Recipient Country Contribution (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

NA, since this is not a bilateral project with the government.

- 8. Benefit to Poor Majority (FAA Sec. 128(b)):** If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? Yes
- 9. Abortions (FAA Sec. 104(f); FY 1993 Appropriations Act, Title II, under heading "Population, DA," and Sec. 534):** NA - not a family planning project
- a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? NA
- b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? NA
- c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? NA
- d. Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? NA
- e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? NA
- f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to NA

methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization?

NA

10. **Contract Awards** (FAA Sec. 601(e)): Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes for DEA funds, although contracts are not contemplated.

11. **Disadvantaged Enterprises** (FY 1993 Appropriations Act Sec. 563): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

Such PVOs will be able to fully compete for grants and subgrants under the project.

12. **Biological Diversity** (FAA Sec. 119(g)): Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

NA

13. Tropical Forests (FAA Sec. 118; FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act):

a. A.I.D. Regulation 16: Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16?

Yes, an IEE has been approved

b. Conservation: Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation,

NA

and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

c. **Forest degradation:** Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

NA

d. Sustainable forestry: If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry? NA

e. Environmental impact statements: Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment? An IEE under Reg. 16 has been approved

14. Energy (FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act): If assistance relates to energy, will such assistance focus on: (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases? NA

15. Debt-for-Nature Exchange (FAA Sec. 463): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote: (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management. NA

16. Deobligation/Reobligation (FY 1993 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as NA

originally obligated, and have the House and Senate Appropriations Committees been properly notified?

17. Loans

NA

a. **Repayment capacity** (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.

b. **Long-range plans** (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

c. **Interest rate** (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?

d. **Exports to United States** (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

18. Development Objectives (FAA Secs. 102(a), 111, 113, 281(a)): Extent to which activity will: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical

NA - DFA and ADA funds will be used

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assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

19. Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Secs. 103 and 103A):

NA

a. Rural poor and small farmers: If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor; or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

b. Nutrition: Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people.

c. Food security: Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the

poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

20. Population and Health (FAA Secs. 104(b) and (c)): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

NA

21. Education and Human Resources Development (FAA Sec. 105): If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

NA

22. Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106): If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

NA

a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of

research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

c. research into, and evaluation of, economic development processes and techniques;

d. reconstruction after natural or manmade disaster and programs of disaster preparedness;

e. for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;

f. for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

23. **Capital Projects (Jobs Through Export Act of 1992, Secs. 303 and 306(d)):** If assistance is being provided for a capital project, is the project developmentally sound and will the project measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level?

C. **CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY**

NA

1. **Economic and Political Stability (FAA Sec. 531(a)):** Will this assistance promote economic and political stability?

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To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

2. **Military Purposes** (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes?

3. **Commodity Grants/Separate Accounts** (FAA Sec. 609): If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? (For FY 1993, this provision is superseded by the separate account requirements of FY 1993 Appropriations Act Sec. 571(a), see Sec. 571(a)(5).)

4. **Generation and Use of Local Currencies** (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106? (For FY 1993, this provision is superseded by the separate account requirements of FY 1993 Appropriations Act Sec. 571(a), see Sec. 571(a)(5).)

5. **Cash Transfer Requirements** (FY 1993 Appropriations Act, Title II, under heading "Economic Support Fund," and Sec. 571(b)). If assistance is in the form of a cash transfer:

a. **Separate account:** Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds?

b. **Local currencies:** Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of the local currencies to be generated, the terms and

conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements?

c. **U.S. Government use of local currencies:** Will all such local currencies also be made available to the U.S. government as the U.S. determines necessary for the requirements of the U.S. Government, or to carry out development assistance (including DFA) or ESF purposes?

d. **Congressional notice:** Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?

6. **Capital Projects (Jobs Through Exports Act of 1992, Sec. 306, FY 1993 Appropriations Act, Sec. 595):** If assistance is being provided for a capital project, will the project be developmentally-sound and sustainable, i.e., one that is (a) environmentally sustainable, (b) within the financial capacity of the government or recipient to maintain from its own resources, and (c) responsive to a significant development priority initiated by the country to which assistance is being provided. (Please note the definition of "capital project" contained in section 595 of the FY 1993 Appropriations Act.)

DRAFTER:GC/LP:BLester:1/21/93:check1

**INITIAL ENVIRONMENTAL EXAMINATION
or
CATEGORICAL EXCLUSION**

PROJECT COUNTRY: Somalia

PROJECT TITLE AND NO.: Rehabilitation and Recovery Project
(649-0139)

FUNDING: FY(s) 1993-95 U.S. \$ 12 million DFA,
U.S. \$ 2 million ADA

IEE PREPARED BY: Walter I. Knausenberger,
AID/AFR/ARTS/FARA/ENV

ENVIRONMENTAL ACTION RECOMMENDED:

Positive Determination	
Categorical Exclusion	<u>X [Category 1]</u>
Negative Determination	<u>X [Category 2]</u>
Deferral	<u>X [Category 3]</u>

SUMMARY OF FINDINGS:

This project sets out to enhance the rehabilitation/recovery efforts to meet basic human needs in Somalia, and to promote the eventual development of Somalia through interested and qualified PVOs. The exact nature of the interventions which will be implemented cannot yet be identified, but they will be in the agricultural and health sectors. Given the unique and urgent circumstances in Somalia, it is recommended that the implementing umbrella PVO take the lead in classifying activities according an impact classification checklist (matrix) provided in the USAID Africa Bureau's *PVO/NGO Environmental Guidelines*, and summarized herein. Sub-grants and activities thus will be classified by the lead PVO according to the categories given in this IEE. Attachment Six of the RFA provides more information on the classification process. Activities will be classified as follows:

-- activities with no effect on the physical or natural environment (Categorical Exclusion, Category 1);

-- activities which will have no significant, or minor, impact on the environment, but which may need some modification during implementation to assure mitigation of predictable impacts (Negative Determination -- Category 2); and

--activities with potentially significant environmental impacts, thus requiring further review (by a USAID DH officer such as the Regional Environmental Officer) and a mitigation plan (Deferral -- Category 3).

The project is not expected to have a significant impact on threatened and endangered species or critical habitats, because the grant activities will be carried out in areas already inhabited, under cultivation, or in agricultural fallow regimes.

It is hereby determined that the umbrella PVO itself will undertake an environmental review and/or categorization of all subactivities. The lead PVO has the option to require each potential subgrantee to prepare the initial analysis. For those subactivities which are determined by the lead PVO to fit Categories 1 and 2, the Bureau Environmental Officer hereby approves a categorical exclusion and negative determination, respectively, and no further A.I.D. action is required. It is anticipated that a large majority of activities will fall within Categories 1 and 2. The lead PVO will ensure that any proposed mitigation of impacts for Category 2 subactivities is implemented.

For those sub-activities classified in Category 3, the umbrella PVO shall submit the appropriate sub-activity description -- and any evaluations, reviews and/or mitigation plans of the activity -- to the Regional Environmental Officer (REO) (direct hire A.I.D. staff) based at REDSO/ESA. The REO will review these activities and determine appropriate next steps, in consultation with the mission.

For monitoring and evaluation purposes, the PVO's grant manager would on a routine basis pass to the Mission Director, REO and Bureau Environmental Officer an up-dated list of sub-activity grants, with summary of activities where necessary, so as to keep them apprised of the area and scope of activities involved.

CONCURRENCE:


Bureau Environmental Officer:
John J. Gaudet, AFR/ARTS/FARA

APPROVED: X
DISAPPROVED: _____
DATE: 6/7/93

CLEARANCE:

GC/AFR: MA Klewan

DATE: 6/7/93

**Somalia Rehabilitation and Recovery Project
Initial Environmental Examination Summary**

INTRODUCTION

Due to problems created by drought, civil strife and the resultant displacement of people, long-term, sustainable development prospects in Somalia are eroding. Without immediate remedial action, the internally displaced will have few assets remaining as they re-enter normal Somalian society. Actions to take advantage of this opportunity to aid the drought- and war-affected will help improve their capacity to participate fully in long-term developmental activities.

PROJECT PURPOSE

To enhance the rehabilitation/recovery efforts to meet basic human needs in Somalia, and to promote the eventual development of Somalia through interested and qualified PVOs.

PROJECT DESCRIPTION

The project provides a vehicle for PVOs currently operating in Somalia to extend their development experience to the affected populations. The Mission will fund a lead "umbrella" PVO which will provide sub-grants. The implementing PVO must have the experience and capacity to implement the activity and to account for the use of USAID funds. Part of the evaluation of experience will include a judgement of the PVO's ability to work with Somalian local authorities and other donors' work on the rehabilitation problem. The grants must support DFA and Mission program priorities, and have a duration of less than three years.

This project will allow the PVOs to develop their capacity to manage and provide assistance to individuals and groups of people most seriously affected by food and civil insecurity, and to facilitate the transition from relief to recovery and rehabilitation. The project is the key component of the USAID program in Somalia, which contributes to the mission objective of reducing dependence on external food aid, by using the skills and experiences of PVOs to help communities re-establish their productive capacity.

The PVO community is generally fully engaged in an emergency relief mode, with some involvement in labor intensive food-for-work infrastructure improvements in connection with more general community development. The types of activities likely to be funded include imparting technologies and knowledge to the displaced and re-integrating populations for:

- ▶ delivery of community-level primary preventive health care;
- ▶ basic health care services, including malaria control and

- immunization;
- ▶ provision of nutrition and hygiene education;
- ▶ population management services, family planning;
- ▶ establishment and rehabilitation of health posts;
- ▶ renovation of health and human services facilities;
- ▶ food-for-work activities;
- ▶ repair of infrastructure, including rural roads
- ▶ construction and maintenance of potable water supplies;
- ▶ construction and rehabilitation of sanitation systems;
- ▶ improvement of livestock herds, animal health programs;
- ▶ improving crop production through provision of agricultural inputs (seeds and agricultural tools, fertilizers, pesticides);
- ▶ irrigation system rehabilitation
- ▶ farm productivity and marketing activities, including livestock; and
- ▶ small-scale private enterprise and income generation.

IMPACTS

Some of the above areas in which interventions are intended may have environmental impacts of greater or lesser severity. Of particular importance would be the rehabilitation, construction and maintenance of water supplies, latrines, buildings and roads, as well as activities such as the organization of fuel-wood harvesting.

The provision of health services and hygiene education is not expected to have significant negative environmental impacts.

ENVIRONMENTAL MONITORING, EVALUATION AND MITIGATION

The NGOs/PVOs, in drafting their proposals, will address the way in which their interventions will be monitored and evaluated during the course of the project. Indicators to be used in monitoring should be spelled out in the design of the grants. The environmental review undertaken in preparation for the proposal, and the mitigation steps to be implemented during the project, will be described in each proposal.

So that the individual interventions are designed in an environmentally-sustainable manner, the Mission Environmental Officer (MEO) and/or project officers should provide each of the NGOs/PVOs involved in the rehabilitation and recovery program with a copy of the Africa Bureau Environmental Guidelines for NGO/PVO Field Use and Environmental Design Considerations for Rural Development Projects (Harza Engineering). The proposals will also spell out how potential negative impacts will be mitigated, when and if they are detected during monitoring and evaluation. One concept which may be worth promoting for those PVOs involved in agricultural production is that they adopt a policy to encourage integrated pest management and other

sustainable agricultural practices.

The below streamlined procedure for ranking proposals is suggested as a "working model" approach, based on the above Guidelines. Thus, the PVO's grant manager would categorize the proposed interventions according to a schema such as that presented below.

Category 1: sub-projects or grants with no effect on the natural environment and that would normally qualify for a categorical exclusion under USAID's Environmental Procedures ("Reg 16"), e.g., community awareness initiatives, training at any level, provision of technical assistance, and the like. Construction or repair of facilities under 10,000 sq. ft. (approx. 1,000 sq. m.) would fall under this category.

Category 2: sub-projects or grants with no or minor impacts on the natural environment; these activities would normally qualify for a negative determination under Reg 16 based on the fact that the grantee used an environmentally-sound approach to the activity design (e.g., the grant design followed, and the grant manager has access to and follows, a series of guidelines for the design of small-scale environmentally-sound activities in forestry, agriculture, irrigation, water supply, rural roads, etc.). Extensive rehabilitation of facilities and construction of structures exceeding 10,000 sq. ft. would normally fall in category 2. Funding levels would normally also be in excess of \$100,000 per project. Note: some Category 2 activities may not require following guidelines, nor require modification during design and implementation.

Category 3: activities that have a clear potential for undesirable environmental impacts, such as those involving land development, forest harvesting, planned resettlement, penetration road building, substantial potable water and sewage construction, and projects involving the procurement and/or use of pesticides. Also, some light industrial plant production or processing (sawmill operation, agro-industrial processing of forestry products) could qualify. Finally, any intervention operating in a critical habitat for threatened or endangered species, or other similar activity where a possibility exists for significant negative environmental impact, must be placed in this category. All items in Sect. 216.2(d)(1) of Reg. 16 are automatically included. See Attachment 6 of the RFA.

For the eventuality of pesticide interventions to assist in combatting Desert Locust outbreaks in Somalia (given the currently developing upsurge in the Red Sea area), it should be noted that a country-specific Supplementary Environmental Assessment (SEA) is soon expected to be in place for Somalia under the Programmatic Environmental Assessment of USAID

Locust/Grasshopper Control Programs in Africa and Asia.

The following scenario for review and approval is envisioned:

The PVO's grants officer would review grants in all the above categories, and pass on any grants in Category 3, and (at the discretion of the PVO) possibly some from Category 2, to the Regional Environmental Officers (REDSO/ESA) for further review for assistance in reviewing the mitigation steps proposed. A copy should be sent to the USAID/Somalia mission director.

It is assumed that the majority of grants will fall within Categories 1 and 2, and could therefore be approved locally by the PVO without further environmental review by A.I.D.

For purposes of monitoring and evaluation, the PVO's grant manager would on a routine basis pass to the Mission Director, REO and Bureau Environmental Officer, an up-dated list of grants, with summary of activities where necessary, in order to keep them apprised of the area and scope of activities involved.

Those sub-projects falling within Categories 2 and 3 will be required to carry out an environmental review to justify their inclusion in these categories and to provide information that will be used to mitigate, change, or guide the course of the interventions in the grant during the course of implementation, if necessary. The lead PVO involved with this project will be fully responsible for monitoring and evaluating all activities under each grant.

Before approving any Category 3 sub-activity, the umbrella PVO shall send the full activity description, and any evaluations, reviews and/or mitigation plans of the activity, to the Regional Environmental Officer further determination.

SUMMARY: ENVIRONMENTAL DETERMINATIONS

The exact nature of the interventions which will be implemented cannot yet be identified, but they will be in the agricultural and health sectors. Given the unique and urgent circumstances in Somalia, it is recommended that the implementing umbrella PVO take the lead in classifying activities according an impact classification checklist (matrix) provided in the USAID Africa Bureau's PVO/NGO Environmental Guidelines, and summarized herein. Sub-grants and activities thus will be classified by the lead PVO according to the categories given in this IEE. Attachment Six of the RFA provides more information on the classification process. Activities will be classified as follows:

- activities with no effect on the physical or natural environment (Categorical Exclusion, Category 1);
- activities which will have no significant, or minor,

impact on the environment, but which may need some modification during implementation to assure mitigation of predictable impacts (Negative Determination -- Category 2); and

--activities with potentially significant environmental impacts, thus requiring further review (by a USAID DH officer such as the Regional Environmental Officer) and a mitigation plan (Deferral -- Category 3).

The project is not expected to have a significant impact on threatened and endangered species or critical habitats, because the grant activities will be carried out in areas already inhabited, under cultivation, or in agricultural fallow regimes.

It is hereby determined that the umbrella PVO itself will undertake an environmental review and/or categorization of all subactivities. The lead PVO has the option to require each potential subgrantee to prepare the initial analysis. For those subactivities which are determined by the lead PVO to fit Categories 1 and 2, the Bureau Environmental Officer hereby approves a categorical exclusion and negative determination, respectively, and no further A.I.D. action is required. It is anticipated that a large majority of activities will fall within Categories 1 and 2. The lead PVO will ensure that any proposed mitigation of impacts for Category 2 subactivities is implemented.

For those sub-activities classified in Category 3, the umbrella PVO shall submit the appropriate sub-activity description -- and any evaluations, reviews and/or mitigation plans of the activity -- to the Regional Environmental Officer (REO) (direct hire A.I.D. staff) based at REDSO/ESA. The REO will review these activities and determine appropriate next steps, in consultation with the mission.

For monitoring and evaluation purposes, the PVO's grant manager would on a routine basis pass to the Mission Director, REO and Bureau Environmental Officer an up-dated list of sub-activity grants, with summary of activities where necessary, so as to keep them apprised of the area and scope of activities involved.

