

Mike Rogan



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

May 9, 1995

MEMORANDUM

TO: AA/M, Larry E. Byrne
FROM: M/MPL, *Carol D. McGraw* Caroline D. McGraw
SUBJECT: South Pacific Close-out - Cook Island Activity

We understand from Jay Nussbaum, ANE/ORA, that Terry Brown has mentioned this subject to you and that you made no commitment on whether or not you would approve it.

The proposal is to approve **additional** funding of \$46,000 in FY 1995 to extend the Cook Islands activity under the Pacific Islands Marine Resources Project (PIMAR) -- which was approved by you to run until June 30, 1995, 9 months beyond the September 1994 close-out date -- for an additional 3 months to September 30, 1995. USAID/Manila has arranged for the Asian Development Bank to take over and support this activity in September 1995. The ADB has already issued invitations to bid and has received a number of responses so it looks like it is on track.

Your original decision to extend this activity past close-out until June 30, 1995, which is 3 months early than originally planned, was based on the need to complete the construction activity and not leave a "white elephant".

ANE says early termination costs if the contract ends June 30, instead of September 30, would cost almost \$46,000 so no money would be saved. The other complicating factor is that since the only transportation on and off the island where the contractor is located is ship and since ship schedules are not reliable, the contractor will have to leave in mid-May and thus there will be a 4-5 months gap. Although the entire investment will not be lost if the extension is not approved, it will result in at least a six-month setback and probably cost much more than \$46,000 for the ADB to reestablish the research cultures which will be lost during this lapsed period.

Although there is sufficient money in the PIMAR project in other activities to fund this contract, new money has to be obligated because each activity was funded under a bilateral project agreement with each island nation and thus money from one project cannot be transferred to another project. It has to be deobligated and reobligated.

The Bureau seems to believe that they can fund this activity out of PD&S and attribute the FY 1995 funding to close-out operations rather than to traditional South Pacific funding.

Given the above discussion, I recommend that you approve this request.

M/MPI:MRogal:MR:5/9/95:doc.MPIPUB/DOCS/COOKISL.EXT

AID CLOSURE IN SOUTH PACIFIC

*Cleared -
Sec. Christopher
4/24/1999*

Question

Does the recent closure of the AID office in Fiji mean the U.S. is withdrawing from the Pacific region?

Answer

Not at all. U.S. ties and commitment to countries of the South Pacific remain strong and we have no intention of withdrawing from the region.

The USAID office closure in Fiji is one of 21 such closures being conducted worldwide to deal with current budget realities and to adopt a focused and more strategic approach to sustainable development. In spite of this, Pacific Island nations are eligible to participate in AID's ongoing U.S.-Asian Environmental Partnership activities.

The United States remains engaged through its six Diplomatic Posts in the Pacific Islands; a recently-expanded Peace Corps program; participation and membership in the region's principal development body (the South Pacific Commission) and in the South Pacific Regional Environmental Program; an ongoing and extensive fishing agreement applauded both by the Pacific Island nations and the U.S. fishing industry; our commitment to maintaining security of the sea lanes; university scholarships for South Pacific students which will begin this year; plus other U.S. government programs. The region also features prominently in the administration's coral reef initiative and its concern for global climate change.

DL
drafted:EAP/PIA:DLarsen x73546

doc:SEPIA 6509, 01/17/95

cleared:EAP:WLord

AID/EA:MCarpenter

EAP/PIA:FHuddle

OES/MLP:CARvis

H/EAP:KMcCormick

} *DL (for)*

note: Discussed EB clearance with S/S-S:DBame. EB confirms they do not wish to clear this item.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

DEC 13 1994

MEMORANDUM

TO: PPC/PAR, Julio Schlotthauer
FROM: ANE/US-AEP *Julio* Lewis P. Reade
SUBJECT: Your 11/1/94 E-Mail of "Close-out-Country Environment Project-US-AEP" To L.P. Reade, US-AEP

1. ANE/US-AEP wishes to point out that the purported reason for the approved procedure attached to the subject e-mail does not apply to US-AEP. The environmental projects being prepared by Glenn Prickett in the South Pacific are being designed and programmed by the Global Bureau and would presumably be implemented by them. Moreover, while ANE/SEA and US-AEP are aware of the design of this project, it has not been put through any formal inter-agency review process or approved by ANE. Indeed, as far as we know there has been no formal Bureau review of the idea of Global designing and implementing such a project in the South Pacific. While US-AEP is operating under the guidelines set down in the PPC and M Bureaus "non-presence" country memo, we have not seen a comparable determination regarding Global projects.

2. Our reactions to the substance of the procedure as it would apply to US-AEP activities will be forwarded separately since we have no pending actions covered by the policy at this time.

cc: DAA/ANE:Linda Morse
PPC/SA:Glenn Prickett
ANE/SEA/SPA:Molly Kux
MPI:Barry Burnett ✓



OCT 5 1994

J.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

TO: AA/BHR, M. Douglas Stafford
FROM: AA/M, Larry E. Byrne *Larry Byrne*
SUBJECT: Notification to PVOs on continuation of Ongoing Grants
in Closeout Countries

After again reviewing my decisions at the Mission Close-out Reviews and taking into consideration the Action Memorandum on USAID-Financed Activities in Non-Presence Countries signed by the Administrator on June 15, 1994, and BHR's Memorandum on PVO Programs in the South Pacific, Togo and Belize, I want to inform you of my decisions.

1. Regional Development Office, South Pacific (RDO/SP):
 - a. Foundation of the Peoples of the South Pacific (FSP) - Child Survival Matching Grant, and
 - b. Project Concern International (PCI) - Child Survival Matching Grant.

I now approve the continuation through the end of FY 1996, the Grant termination date, of the FSP and the PCI Child Survival Matching grants. These are both fully-funded Child Survival Matching Grants with the responsibility for program monitoring and oversight in the BHR/PVC's Child Survival Program and no mission management is or has been involved in these activities.

2. USAID/Togo: Catholic Relief Service (CRS) Title II food aid program.

I authorized the continuation of the CRS Title II food aid program through FY 1995 to allow for the distribution of FY 1994 food shipments. Since this decision requires CRS to be in-country during FY 1995 for the purpose of carrying out the feeding program element of their project, including food received in FY 1995, they are also authorized to continue to carry out the non-feeding elements of their project during this period as well. However, CRS must prepare a plan for USAID approval that provides for completing all activities and closing their USAID-funded operations to meet the September 30, 1995 termination date.

3. USAID/Belize: US PVO, KATALYSIS

Since neither USAID/Belize (Mission stated that this activity did not support Mission Objectives) nor the LAC Bureau supported continuation of the centrally-funded matching grant to KATALYSIS, it does not meet the criteria established in the June 15, 1995 Action Memorandum. Therefore, I reaffirm my previous decision that the activity close one year early, by the end of FY 1995.

Clearance:

M/MPI:CDMcgraw *CDM* Date: 10-4-94

M/MPI:MRogal *MRogal* mr:10/3/95:x7-2902: U:\MPIPUB\DOCS\BHR-PVOS.LEB



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

OCT 27 1994

TO: AA/M, Larry E. Byrne
THRU: M/MPI, Carol D. McGraw *Carol D. McGraw*
FROM: M/MPI, Michael Rogal *Michael A. Rogal*
SUBJECT: Closure of USAID/RDO/SP - Byrne Questions

The following information is provided in response to your questions on the subject report.

1. The report on page 2 states that:

- a.) One FSN will remain for one year to liaise between the U.S. Embassy in Suva and USAID/Philippines.
- b.) Two TCN project advisors will remain in Suva for approximately nine months after RDO/SP closes to oversee project implementation on the PIMAR project and the CAD project; certain components of which were approved to continue until late FY 1995.

This issue, extending certain components of the two projects and three employees through FY 1995, was raised and discussed at the RDO/SP review meeting which you chaired. In approving the extension of the components of the PIMAR and CAD projects you also approved keeping an FSN located at the U.S. Embassy to be the liaison between the U.S. Embassy-Suva and USAID/Philippines, the mission managing the residual activities. You also approved extending components of the PIMAR and CAD projects and keeping the two project technical advisors until the projects completion in FY 1995. The FSN is PD&S funded. The two project advisors are project funded. All three were to be fully funded in FY 1994.

2. On page 17 the report states:

Although our close-out went pretty much according to plan, there were times when we were required to exercise judgement in interpreting USAID/W closeout guidance. For instance, we discovered after the fact that there were a couple of internal inconsistencies within the Close-Out Plan itself

and between the Plan and the approval memorandum (e.g. agreed upon dates differed by one or two months). Under these circumstances it did not appear necessary, desirable nor efficient to refer back to AA/M for an interpretation. Thus, when such discrepancies arose, we did what made the most sense. We in no way violated the spirit nor the intent of the close-out plan, but we also did not burden Washington with questions of interpretation that it was not as well placed as the field to address.

David Leong, Acting Regional Director, USAID/RDO/SP, during close-out and now in Cambodia, recalls from memory that;

"I can think of a couple of instances where the "internal inconsistencies" were resolved by us. In one case, I recall juggling the dates of when the PEP project would end (this is way back in February when I went back to Washington to defend the plan). Depending on when the edits were made, some sections/versions said "June 30, 1995" while others said "September 30, 1995." Right before we issued the revised plan (the one dated February 7, 1994) I was getting signals that, because PEP was an environmental activity, extension to the later date would not prove problematic. Thus, I changed (or thought I changed) all the dates to September 30, 1995. As it turns out (and, again, drawing from memory), I didn't catch one of the dates contained in one of my text boxes. Thus, there were two dates. Since the approved plan allowed for the September 30 date, I figured it was safe to resolve that inconsistency without reference to Washington.

In another case, the difference concerned whether one of our PSC advisor's contract would be allowed to continue through July or August 1995. There was apparently some conflicting communication on this date (I'm a little foggier on this one). What we did in this case was go to the description of the "useful unit" and apply logic. If the useful unit could not be achieved before August, then it seemed to make sense to allow the contractor to continue through achievement of the useful unit. As the latter date was well within the revised PACD (which was 6/30/96 (for training)), within the 9/30/95 date we took as an absolute deadline to be physically closed down (the exception being participant training), and within funding availabilities, we went with the later date.

Finally, we did run across instances where we realized it would not be prudent to resolve the inconsistencies unilaterally. Such was the case with the Regional Impact Component (RIC) of the PIMAR project. RIC funding was originally planned to be \$480,000; the PACD 9/30/95. The

approved close-out plan reduced the approved level of funding to that received to date (\$100,000), and shortened the PACD to 9/30/94. Upon the request of the grantee (the South Pacific Commission), we asked if we could keep the PACD at 9/30/95, even if no additional funds would be forthcoming. Given the nature of the activity and request, we thought it was a logical request. We forwarded the request to the Bureau (USAID/W), and got told no (i.e., the decision was made not to ask at a higher level). Although we weren't pleased with this decision, we went back to SPC and told them no. It wasn't easy nor fun, but I guess that's what close-outs are all about.

Bottom line: when inconsistencies raised policy issues (such as cause an activity to go beyond already approved dates), we asked Washington. When the inconsistencies were obvious oversights and did not raise any policy issues, we made the decision ourselves."

3. The report on page 14 states that:

RDO/SP'S close-out was, in some respects, made even more traumatic as there were no severance provisions in our FSN Compensation Plan when the mission closure was announced. Through the excellent assistance from a TDY Controller who "knew the ropes", we were able to put in place a generous severance package that would cover USAID employees being terminated as a result of the closure.

The preceding comment only tells part of the story. True, on November 21, 1993 when the close-out was announced there was no provision for severance pay. However, the TDY USAID/Controller, Ralph Hartwell, who had many years experience in STATE as an Administrative Counsellor worked with STATE Personnel to have a severance plan designed and approved. This severance package was developed during December and January with STATE FSN/PER approving the plan (STATE Cable 015260) on January 18, 1994. The plan excludes from severance eligibility, inter alia, anyone eligible for an immediate CSR annuity. It provides for six months salary plus, one month for each year of service. There is no limitation on the amount of severance that can be paid. The total severance payment for the 26 Operating Expense funded employees was \$285,000; ranging from a maximum of \$ 43,300 for an employee with 15 years of service to a minimum of \$ 2,200. There were two project funded employees who received severance pay. One received \$59,700 and the other \$7,800.

Normally, we would have provided a quick response to the Mission, similar to what was sent to you the other day. (FYI. This response stated that only original files needed to be kept, provide length of time to keep files, and other specific and general information)

We apologize for any inconvenience to the Mission

We have counseled the employee and hopefully this will not happen again".

cc: AA/ANE, Margaret Carpenter

U:\MPIPUB\DOCS\RDO-SP.LEB

Sharon Nichols@ANE.EMS@AIDW
Mary Lewellen@OFM@MANILA, Larry Brady@OFM@MANILA

Charles J. Crane@CONT@AMMAN

Subject:
Date: Sunday, October 2, 1994 2:59:05 EDT
Attach: B:\FSNPAY1.WK1, B:\FSNPAY1.FMT
Notify: Y
Forwarded by: Sharon Nichols@ANE.EMS@AIDW

Forwarded to: Michael A. Rogal@M.MPI@AIDW
cc:
Forwarded date: Monday, October 3, 1994 10:36:35 EDT
Comments by: Sharon Nichols@ANE.EMS@AIDW
Comments:

Ask and you shall receive. Feel free to contact Charlie directly if you need additional information.

----- [Original Message] -----

Sharon,

Attached are the files relating to the FSN severance pay. These are the files I used to compare the actual calculation, made by Nita Singh [personnel specialist] that went on the SF-50 to RAMC, Bangkok. Because I used approximate number of payperiods and rounded amounts, my calculation were generally high by about F\$ 100 or so. But generally, they were right in the ballpark. We then obligated the lump sum for severance pay. The idea was to input the disbursement by person to get a permanent record. To be honest, due to the lag in receiving RAMC payroll disbursement figures, I don't know if this worked out or not. We were going to do this for the very reason that appears to have popped up - someone requesting the names and amount of severance pay. I believe the dates of separation are fairly accurate on this worksheet. If my memory serves me correct, Elly Kema did not receive her \$351 as she resigned prior to her termination date and thus was not eligible for her great severance pay of 351. (PNG personal had a different calculation, therefore the rates were significantly lower for Angie, Elly and Mathew.) Please note that I also used an estimated exchange rate of US\$1= F\$1.50. This was close the figure toward the beginning, but changed by the time I left. We also ended up not paying the FPNF contribution of 7% so our total OE obligation was 300K, not the 320K on the worksheet. I have more supporting worksheets if you want them. [I have reduced this worksheet to only the requested info. I can sent the entire worksheet if you want it.] Hope this helps. If you need more info, let me know.
charlie

RDO/SP
FSN SEVERANCE PAY CALCULATIONS

DE PSC INFO: FILENAME:FSNPAY1

NAME	U.S. \$ COST PER PP	FUNDED UNTIL (NOTE 1)	PROB DEPART DATE	FUNDING TO PROB. DEP. DATE	ESTIMATED SEVERANCE PAY (US \$)	SCD FOR SEVERANCE PAY
GORDON <i>CHF Acct</i>	990	06/26/94	09/16/94	12,122	43,234	07/09/79
VALDA <i>ADM Acct</i>	810	05/29/94	09/02/94	7,762	30,228	09/05/82
AGNES <i>C&R sec</i>	740	06/25/94	07/29/94	3,508	22,617	04/27/86
GLARA <i>PRO ASST</i>	630	05/29/94	09/30/95	25,218	18,205	02/27/89
MANORAMA <i>SECRETARY</i>	555	06/26/94	07/29/94	3,209	14,326	02/16/88
DHARMENDRA <i>Accts Tech</i>	595	06/12/94	02/25/94	(4,548)	13,673	09/26/88
LINDA <i>TRNG Advisor</i>	740	05/29/94	06/03/94	1,633	12,903	09/03/91
YASMIN <i>Accts Tech</i>	555	07/24/94	07/29/94	1,315	12,900	08/28/89
LIKU <i>SECRETARY</i>	480	05/15/94	07/01/94	1,629	11,468	09/30/88
ROSHNI <i>Accts Tech</i>	575	05/15/94	04/29/94	(190)	11,156	02/04/91
INITA <i>Peris Assi</i>	465	05/15/94	09/16/94	4,729	10,875	09/18/89
TALE <i>Systems mgr</i>	480	05/01/94	08/12/94	4,263	10,141	03/25/91
MIRI <i>SECRETARY</i>	360	05/15/94	07/29/94	2,329	8,382	02/27/89
EILEEN <i>TRNG ASST</i>	435	05/01/94	05/13/94	802	7,117	07/20/92
GABRIEL <i>STORACCT</i>	335	06/12/94	09/16/94	3,306	6,871	01/22/91
TAIVAI <i>SECRETARY</i>	305	05/01/94	06/24/94	1,432	6,753	09/05/89
KRISHNA <i>MAINT</i>	250	07/10/94	05/27/94	(39)	5,585	06/05/89
JOHN <i>DRIVER</i>	240	06/12/94	03/25/94	(700)	5,220	10/17/89
SELITA <i>SEC/REC</i>	210	05/01/94	05/27/94	639	3,105	03/08/93
MATHEW (PNG) <i>CS & ASST</i>	370	03/20/94	07/01/94	7,782	2,836	03/05/79 <i>8PP</i>
ANGIE (PNG) <i>ADM ASST</i>	800	01/23/94	05/27/94	7,506	2,288	09/07/88
ELLY (PNG) <i>SECRETARY</i>	355	04/17/94	04/15/94	56	351	04/24/92
DAN <i>ADMIN ACCT ASST</i>	225	05/15/94	03/01/94	(1,188)	0	11/04/90
<i>KEVIN KETSA MAZTA MAZTA</i>	1,500			82,577	260,236	
NOTE 1:			Already Separated:		25,913	
			7% FNPFC CONTR.:		19,647	
			Contingency:		14,000	
			OE TOTAL:		320,000	
PROJECT:		exchange rate used:		1.50		
SERA <i>SECRETARY</i>	350	05/29/94	09/16/94	3,236	7,817	09/05/89
MANOA <i>TRNG Advisor</i>	2,285	04/16/95	07/01/94	(46,255)	59,704	10/31/88
					67,521	
			7% FNPFC CONTR.:		4,726	
			Contingency:		3,000	
			PROJECT TOT:		75,000	
			TOTAL:		395,000	

RDO/SP
FSN SEVERANCE PAY CALCULATIONS

OE PSC INFO:	FILENAME:FSNPAY1					
NAME	U.S. \$ COST PER PP	FUNDED UNTIL (NOTE 1)	PROB DEPART DATE	FUNDING NO PROB. DEP. DATE	ESTIMATED SEVERANCE PAY (US \$)	SCD FOR SEVERANCE PAY
GORDON	990	06/26/94	09/16/94	12,122	43,234	07/09/79
VALDA	810	05/29/94	09/02/94	7,762	30,228	09/05/82
AGNES	740	06/25/94	07/29/94	3,508	22,617	04/27/86
CLARA	630	05/29/94	09/30/95	25,218	18,205	02/27/89
MANORAMA	555	06/26/94	07/29/94	3,209	14,326	02/16/88
DHARMENDRA	595	06/12/94	02/25/94	(4,548)	13,673	09/26/88
LINDA	740	05/29/94	06/03/94	1,633	12,903	09/03/91
YASMIN	555	07/24/94	07/29/94	1,315	12,900	08/28/89
LIKU	480	05/15/94	07/01/94	1,629	11,468	09/30/88
ROSHNI	575	05/15/94	04/29/94	(190)	11,156	02/04/91
NITA	465	05/15/94	09/16/94	4,729	10,875	09/18/89
TALE	480	05/01/94	08/12/94	4,263	10,141	03/25/91
MIRI	360	05/15/94	07/29/94	2,329	8,382	02/27/89
EILEEN	435	05/01/94	05/13/94	802	7,117	07/20/92
GABRIEL	335	06/12/94	09/16/94	3,306	6,871	01/22/91
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DAN	225	05/15/94	03/01/94	(1,188)	0	11/04/90
	11,500			82,577	260,236	
NOTE 1:			Already Separated:	25,913		
			7% FNPFCONTR.:	19,647		
			Contingency:	14,000		
			OE TOTAL:	320,000		
PROJECT:			exchange rate used:	1.50		
SERA	350	05/29/94	09/16/94	3,236	7,817	09/05/89
MANOA	2,285	04/16/95	07/01/94	(46,255)	59,704	10/31/88
					67,521	
			7% FNPFCONTR.:	4,726		
			Contingency:	3,000		
			PROJECT TOT:	75,000		
			TOTAL:	395,000		

51

17	DELTA	465	05/15/94	09/16/94	1,729	10,877	09/18/89	16,100
18	RUSHNI	575	05/15/94	04/29/94	(190)	11,156	02/04/91	16,700
19	SILITA	210	05/01/94	05/27/94	639	3,105	03/08/93	4,400
20	TAIVAI	305	05/01/94	06/24/94	1,432	6,753	09/05/89	10,100
21	TALE	486	05/01/94	08/12/94	4,263	10,141	03/25/91	15,100
22	VALDA	810	05/29/94	09/02/94	7,762	30,228	09/05/82	45,100
	YASMIN	555	07/24/94	07/29/94	1,315	12,900	08/28/89	19,100
		11,500			22,577	260,236		382,140
					Already Separated:	25,913		38,100
					7% INPF CONTR.:	19,647		
					Contingency:	14,000		
					OE TOTAL:	320,000		
					exchange rate used:	1.50		
23	SERA	350	05/29/94	09/16/94	3,236	7,817	09/05/89	11,100
24	MANCA	2,285	04/16/95	07/01/94	(46,255)	59,704	10/31/88	89,100
						67,521		
					7% INPF CONTR.:	4,726		
					Contingency:	3,000		
					PROJECT TOT:	75,000		
					TOTAL:	395,000		

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XCHG RATE #U.S. 1 = .50 = 51

RDC/EP		FSN SEVERANCE PAY CALCULATIONS						
GE PEO INFO:		FILENAME: FSNPAY1						
NAME	COST PER PP	FUNDED UNTIL (NOTE 1)	PROB DEPART DATE	FUNDING TO PROB. DEP. DATE	ESTIMATED SEVERANCE	SCD FOR SEVERANCE PAY	ESTIMATED SEVERANCE	
AGNES	740	06/25/94	07/29/94	3,508	22,617	04/27/86	33,925	
ANGIE (PNG)	300	01/23/94	05/27/94	7,506	2,288	09/07/88		
CLARA	530	05/29/94	09/30/95	25,218	18,205	02/27/89	27,308	
DAN	225	05/15/94	03/01/94	(1,188)	0	11/04/90	0	
DEAFMENDPA	595	06/12/94	02/25/94	(4,548)	13,673	09/26/88	20,510	
EILEEN	435	05/01/94	05/13/94	802	7,117	07/20/92	10,676	
ELLY (PNG)	355	04/17/94	04/15/94	56	351	04/24/92		
GABRIEL	335	06/12/94	09/16/94	3,306	6,871	01/22/91	10,306	
GORDON	390	06/26/94	09/16/94	12,122	43,234	07/09/79	64,851	
JOHN	240	06/12/94	03/25/94	(700)	5,220	10/17/89	7,830	
KRISENA	250	07/10/94	05/27/94	(39)	5,585	06/05/89	8,378	
LIKU	480	05/15/94	07/01/94	1,629	11,468	09/30/88	17,202	
LINDA	740	05/29/94	06/03/94	1,633	12,903	09/03/91	19,355	
MANOPAMA	555	06/26/94	07/29/94	3,209	14,326	02/16/88	21,489	
MATHEW (PNG)	370	03/20/94	07/01/94	7,782	2,836	03/05/79		
MIRI	360	05/15/94	07/29/94	2,329	8,382	02/27/89	12,573	

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30 MONTHS
DIFFERENTIAL 12/87
29 PP
23 PP
16 PP
DIFFERENTIAL 12/87
21 PP
44 PP
22 PP
22 PP
24 PP
17 PP
26 PP
DIFFERENTIAL 12/87
23 PP

USAID/Philippines project officers) or ultimate retention, recording, and disposal. Put another way, the files that one refers to on a daily basis might be less than a dozen, whereas, when contemplating transfer and disposal, one must address the full spectrum of files. When we did so, we identified some documents that had been systematically mis-filed for years. Thus, we had to first put the files in order as best we could, then dispose of them in accordance with M/AS/ISS/RM's instructions.

On that score, it is important to note that the mission had attempted to get some definitive guidance from M/AS/ISS/RM regarding records disposal: e.g., How far back should we go? Do we want to limit what we send back in order to keep shipment costs to a minimum? etc. After not hearing from M/AS/ISS/RM, we decided to do what made the most sense, i.e., keep things to a minimum and destroy everything else. To our surprise, when M/AS/ISS/RM ultimately did respond, they advised us to retain more vs. less (knowing that in most instances, the copies in our files were not the originals nor were they considered part of the "core" files). For those project files that remained, we followed M/AS/ISS/RM's guidance, but obviously, there was little we could do for the files we had already culled. (We had to take M/AS/ISS/RM's advice with a grain of salt anyway, as in their message re what we needed to keep, they also offered to hold a C&R training course for us, to be held the month we closed our doors!)

Not
really
responsive

7. Participant Training

A limited number of RDO/SP's activities will be allowed to continue after our offices close to achieve "useful units of assistance" (to be managed by the USAID/Philippines project officers, assisted by two Suva-based TCN project advisors). These "useful units of assistance" include participant training. FY 94 close-out funds received were used to fully-fund those participants already in training (we recognize that their training programs should have been fully funded before they started training, but incremental funding of participant training is part of how RDO/SP did its business due to the incremental and fall-out nature of its development assistance funding).

After RDO/SP closes, the administrative details related to participant training will be handled by the U.S. Embassy/Suva-based USAID Liaison Advisor. She has been fully briefed by the former USAID Training Advisor and will be able to call upon the former USAID Training Advisor in the event questions arise.

In the event participant training visas are required, the signature of an American is required on the visa application. Until now, this has been the USAID administrative advisor (who was formerly the Training Advisor; she retained this task when she moved over to the Administrative side); the alternate was the former Assistant Director in PNG (who departed post in 1993). The U.S. Embassy/Suva Political Officer, Ms. Jane Miller Floyd, has agreed to take on this signing function as RDO/SP closes. The alternate will be the U.S.

RDO/SP Close-Out Summary Report - Volume One

To: Michael A. Rogal@M.MPI@AIDW
Cc: Thomas E. Huggard@FA.AS.OD@AIDW
Catherine Smith@FA.AS.OD@AIDW
Elizabeth Baltimore@FA.AS.ISS@AIDW
Bcc:
From: Renee Poehls@FA.AS.ISS@AIDW
Subject: RDO/SP Closeout
Date: Thursday, October 20, 1994 9:40:01 EDT
Attach:
Certify: N
Forwarded by:

Mike,

FAX is a wonderful tool for allowing us to provide responses to our customers; however, as a result of your inquiry we have learned a lesson.

The Mission was FAXed an uncleared cable. If this cable had been cleared appropriately, the problem would have been discovered and appropriately addressed. That did not happen!

Normally, we would have provided a quick response to the Mission, similar to what was sent to you the other day.

We apologize for any inconvenience to the Mission.

We have counseled the employee and hopefully this will not happen again.

Renee

To: Michael A. Rogal@M.MPI@AIDW
Cc: Thomas E. Huggard@FA.AS.OD@AIDW
Elizabeth Baltimore@FA.AS.ISS@AIDW
Bc
From: Renee Poehls@FA.AS.ISS@AIDW
Subject: RDO/SP Closeout
Date: Monday, October 17, 1994 11:31:40 EDT
Attach:
Certify: N
Forwarded by:

Mike,

There appears to have been some miscommunication regarding the "Records Management" response. I hope the following will be more responsive in assisting with the "close-out" of RDO-SP if it is not too late.

In referring to the "Records Management" response, it appears that RDO-SP has approximately twelve "active" project files to be sent to USAID/Philippines project officers. Only those records necessary for residual functions should be transferred. C & R should be aware of the most efficient method of transferring these records to the Philippines.

The remaining project files should be destroyed at Post "Three years after Project Activity Completion Date." For those project files that have not yet met the three year disposal date, it would probably be more cost effective to transfer them to a nearby Mission for the remainder of their retention time.

Duplicate files should be destroyed.

Specific step-by-step guidance for Mission Closeout is found in HB 23, Chapter 13, Paragraph 3, "Records Closeout Guidance."

If the Mission finds a real cost problem in adhering to any of the above, they can present their justification and the Agency Records Officer will work with the Mission to obtain an exception from the National Archives.

In an effort to assist the Missions in their closeout procedures, Records Management along with IRM have been exploring the possibility of putting records on CD-ROM for economic storage and transfer. In the final analysis it was determined that we need to come up with an Agencywide standard for the indexing of the documents, etc. as well as ensure that the receiving Missions have the necessary resources for reading the CD-ROMs once they receive them.

Mr. David Leong, Acting Director, RDO/SP does not address any other records outside of project files. In the event accounting records, contracting records, etc. still need to be addressed, I am bringing up to your office a copy of USAID Cameroon's Closeout Implementatoin Plan. This plan has been recommended by REDSO/WCA Staff for use by other Missions in preparing their plans.

Please let me know if I can provide any further comments or assistance.

Thanks for the opportunity to respond.

Renee

efforts, requiring the commitment and cooperation of all team members. Washington is a key member of the team, and given the highly centralized nature of the close-out decision-making process, the timeliness of Washington's input, guidance, and decisions are even more important.

Washington should improve its close-out information sharing with affected missions: Related to the above point, Washington should remember that information is only valuable if it is shared. This is particularly true for close-out information. In one instance, close-out missions learned the name of the Agency's close-out coordinator one month after Administrator Atwood signed the approval memo. In another, the close-out checklists (supposedly, the framework for Close-Out Plans) were provided one day before the Close-Out Plans were due in Washington. These are perhaps small matters, but we found it troubling that we were not clued into such information at an early stage.

Missions should recognize that the closure will have a tremendously negative impact on staff morale; they should be proactive and take preventive measures early: Being associated with a mission close-out is an extremely traumatic experience:

- Local and contract staff suddenly find themselves in the position where they will soon be out of work;
- Staff draw the conclusion that their mission is less important than others;
- The mere act of dismantling a mission's program is counter to the "average" USAID employee's inclination to build;
- There is an emotional bond many of us share with our staffs (not to mention our projects), which by necessity, must be broken; and
- There are feelings of guilt when the USDH staff realizes that everyone except the USDHs will soon be losing their jobs.

In order to deal with this situation, and to avert the high potential that the stress might manifest itself in self-destructive ways, we suggest that you take preventive measures early. In our case, we brought in the Regional Psychiatrist to counsel all staff (USDH, PSC, FSN/TCN, and institutional contractors) on the psychological impacts of closing. By the time we were able to schedule him to come, however, the close-out process was well underway (his visit was useful, nevertheless). We would suggest that his visit would have been more effective had he come right after the closure announcement. A follow-up visit could be scheduled later, if required.

Missions should make sure their FSN Compensation Plan contains adequate severance provisions: RDO/SP's close-out was, in some respects, made even more traumatic as there were no severance provisions in our FSN Compensation Plan when the mission's closure was announced. Through the excellent assistance from a TDY controller who "knew the ropes," we were able to put in place a generous severance package that would cover the USAID

To: Charles J Crane@ACCOUNTS@SUVA
Cc:
Bcc:
From: Sharon Nichols@ASIA.FPM@AIDW
Subject: re: Severance pay
Date: Wednesday, January 26, 1994 7:23:27 EST
Attach:
Certify: Y
Forwarded by:

Charlie,

Welcome back!! Hope you had a great time and didn't think about us too often. I did speak to Ralph several times. When he called, I spoke to Marcus Rarick about the \$275.0 in severance payments. He made a commitment to provide some additional funding. The bureau will have to pick up the rest. Larry Bryne is sitting on the annual levels. Hope to have them out by Friday.

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STATE #15268 182158Z 4396 049093 AID4310
YEAR FUNDING PLEASE CONTACT THE CHIEF ADMINISTRATIVE
OFFICER FOR YOUR REGION IN PEACE CORPS/WASHINGTON.

ORIGIN OFFICE NONE-01
INFO ASDR-01 ASMS-01 FACM-03 AAG-01 ASFP-02 ENGY-02 ASEA-02
/013 AB 18/2234Z

5. WORDING OF SEVERANCE PAY PLAN.

INFO LOG-00 AGRE-00 AID-00 OASY-00 EAP-00 TEDE-00 L-00
ADS-00 MED-07 PC-05 USIE-00 /016R

UNDER THE AUTHORITY CONTAINED IN 3 FAM 934.1 AND
CONSISTENT WITH PREVAILING EMPLOYMENT PRACTICES IN
FIJI, SEVERANCE PAY WILL BE AUTHORIZED AS OF JANUARY 9,
1994, TO ELIGIBLE FOREIGN SERVICE NATIONAL (FSN)
EMPLOYEES OF ALL U.S. GOVERNMENT (USG) AGENCIES
FOLLOWING THE MISSION'S JOINT LOCAL COMPENSATION PLAN,
SUBJECT TO THE FOLLOWING RULES:

DRAFTED BY: PER/FSN/SB:PWPLEASANT:TLW 1704N
APPROVED BY: PER/FSN:CEPEGUES
PER/FSN/SB:ECARROLL EAP/EX/PMO:JAGNEW
USIA/M/PFN:LBOONE USAID/FA/HRDM/PPM/PMC:TBEATY
USAID/ANE/ASIA/EA:CHOWELL PEACE CORPS:BELLISON
DESIRED DISTRIBUTION
PER/FSN/SB, EAP/EX, USAID/FA/HRDM/PPM/PMC, USIA/M/PFN,
PEACE CORPS, USAID/ANE/ASIA/EA

I. APPLICABILITY

THIS PLAN IS APPLICABLE TO FULL-TIME AND PART-TIME
DIRECT-HIRE EMPLOYEES UNDER NONTEMPORARY APPOINTMENTS
AND TO PERSONAL SERVICES CONTRACT EMPLOYEES.

-----1831CC 182244Z /38

R 182149Z JAN 94
FM SECSTATE WASHDC
TO AMEMBASSY SUVA
AMEMBASSY BANGKOK
INFO AMEMBASSY CANBERRA

EXCLUDED FROM COVERAGE ARE EMPLOYEES UNDER "TEMPORARY"
APPOINTMENTS; NONPERSONAL SERVICES CONTRACT PERSONNEL
AND THEIR EMPLOYEES, SUPPLIED BY AN INDEPENDENT
CONTRACTOR LICENSED TO DO BUSINESS IN FIJI WHO PROVIDE
SERVICES TO OTHER LOCAL ORGANIZATION AS WELL AS TO THE
U.S. MISSION; EMPLOYEES OF USAID INSTITUTIONAL
CONTRACTORS; PEACE CORPS PERSONAL SERVICES CONTRACTORS
AS REQUIRED BY SECTION 18 (A) (5) OF THE PEACE CORPS

UNCLAS STATE #15268

FOR POST ADMIN OFFICER FROM PER/FSN/SB

ACT, SECTION 4.1 OF MS 735 AND 3 FAM 926.3F; FOREIGN

E.O. 12356: N/A
TAGS: AFSN, AMGT, FJ, TH, AS
SUBJECT: FSN: SEVERANCE PAY PLAN - SUVA, FIJI

AGRICULTURAL SERVICE PERSONAL SERVICES CONTRACTORS AS
REQUIRED BY PUBLIC LAW 100-202, DECEMBER 22, 1987, AND
6 FAM/FAM 211.5; AND DOMESTIC SERVANTS AT OFFICIAL
RESIDENCES.

REF: A) 93 SUVA 3449, B) HARTWELL/PLEASANT FAX, DTD

1/6/94, C) HARTWELL/PLEASANT FAX, DTD 12/22/93

AMEMBASSY BANGKOK PLS PASS TO RAMC. AMEMBASSY CANBERRA
FOR RPO RUBY G. KHATIB FROM PER/FSN/SB.

PERSONS SEPARATED BEFORE THE EFFECTIVE DATE OF THIS
PLAN, REGARDLESS OF TYPE OF EMPLOYMENT, ARE NOT
ENTITLED TO SEVERANCE PAY FOR THEIR PRIOR SERVICE UNDER
THE TERMS OF THIS PLAN. SEVERANCE PAY ENTITLEMENTS
FOR THESE EMPLOYEES WILL BE IN ACCORDANCE WITH THE
SEVERANCE PAY PLAN IN EFFECT AT THE TIME OF THEIR
SEPARATION.

1. BEGIN NOTE: THIS TELEGRAM IS SENT RESTRICTED
DISTRIBUTION TO EMPHASIZE POST'S MANAGEMENT
RESPONSIBILITY TO ENSURE THAT THE HEADS OF ALL AGENCIES
AT POST HAVE A CHANCE TO REVIEW AND AGREE ON THE
FEASIBILITY AND DESIRABILITY OF IMPLEMENTING THE
SEVERANCE PAY PLAN BEFORE IT IS PUBLICLY DISCLOSED.

II. AMOUNT OF PAYMENT

2. TO FURTHER ENHANCE THE ESTABLISHMENT OF THE USG AS
A SINGLE EMPLOYER, THE HEADQUARTERS OF AGENCIES
REPRESENTED AT POST STRESS THE NEED FOR THIS REVIEW AND
A UNIFIED DECISION, IF POSSIBLE, AS POST MOVES TO

A. ELIGIBLE EMPLOYEES ARE ENTITLED TO A LUMP SUM
PAYMENT OF SIX MONTHS' SALARY PLUS AN ADDITIONAL ONE
MONTH'S SALARY FOR EACH YEAR OF CREDITABLE SERVICE.

IMPLEMENT THE SEVERANCE PAY PLAN AUTHORIZED IN THIS
TELEGRAM.

FOR EXAMPLE: AN EMPLOYEE WITH FIVE YEARS OF CREDITABLE
SERVICE WILL RECEIVE SEVERANCE PAY OF SIX MONTHS'
SALARY PLUS AN ADDITIONAL FIVE MONTHS' SALARY (ONE
MONTH SALARY TIMES FIVE YEARS CREDITABLE SERVICE) FOR A
TOTAL LUMP SUM PAYMENT OF ELEVEN MONTHS' SALARY.

3. BASED ON INFORMATION SUBMITTED REPTELS, DEPARTMENT
AUTHORIZES AND INSTRUCTS AMEMBASSY SUVA TO IMPLEMENT
THE SEVERANCE PAY PLAN PRESENTED PARA 5 BELOW EFFECTIVE
PAY PERIOD 1, JANUARY 9, 1994.

A PRORATED AMOUNT WILL BE PAID FOR A PARTIAL YEAR'S
SERVICE.

4. AUTHORIZATION IS SUBJECT TO AVAILABILITY OF FUNDS.
FOR STATE, PRIOR TO IMPLEMENTATION EAP/EX REQUESTS
EMBASSY TO PROVIDE A COST ESTIMATE OF THE INCREASED
AMOUNT. USIA BUDGET HAS CLEARED THE INCREASE. FOR
USAID MISSION, AUTHORIZATION IS SUBJECT TO USAID
MISSION'S ABILITY TO ASSUME EXTRA EXPENSES IN 94 OE

B. SEVERANCE PAYMENT WILL BE COMPUTED ON THE BASIS OF
THE EMPLOYEE'S AVERAGE MONTHLY SALARY. AVERAGE MONTHLY
SALARY IS THE AVERAGE MONTHLY SALARY PAID TO THE
EMPLOYEE DURING THE LAST 12 MONTHS OF SERVICE. AVERAGE
SALARY IS DEFINED FOR SEVERANCE PAY PURPOSES AS THE
ADJUSTED BASIC RATE. AVERAGE SALARY DOES NOT INCLUDE
IRREGULAR OR OCCASIONAL PAYMENTS SUCH AS A BONUS OR
PREMIUM PAY.

BUDGET. USAID MISSION SHOULD ADVISE FAIRNESS OF ABILITY
TO ASSUME EXPENSES. PEACE CORPS/WASHINGTON AUTHORIZES
THE SEVERANCE PAY PLAN CONTAINED HEREIN, IF PEACE CORPS
POST CANNOT COVER THE ADDITIONAL COSTS UNDER CURRENT

III. ELIGIBILITY REQUIREMENTS

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ALL EMPLOYEES PAID UNDER THE TERMS OF THE JOINT LOCAL COMPENSATION PLAN AND WHOSE EMPLOYMENT WITH THE USG IS TERMINATED ARE ELIGIBLE FOR SEVERANCE PAY, EXCEPT:

A. THOSE WHO ARE SEPARATED FOR CAUSE. THERE ARE CIRCUMSTANCES WHICH MAY JUSTIFY AN EMPLOYEE'S DISCHARGE FOR CAUSE UNDER USG REGULATIONS WHICH DO NOT MEET THE

CRITERIA OF CAUSE UNDER THE FIJIAN LABOR CODE. THE PERSONNEL OFFICE IN CONSULTATION WITH LOCAL LEGAL COUNSEL WILL REVIEW EACH DISCHARGE FOR CAUSE. IF LOCAL LEGAL COUNSEL ADVISES THAT A SEPARATION WOULD NOT BE CONSIDERED FOR "CAUSE" BY THE LOCAL LABOR COURT, THE SEVERANCE PAY WILL BE PROVIDED IF THE EMPLOYEE IS OTHERWISE ELIGIBLE.

B. THOSE WHO DIE IN SERVICE OR VOLUNTARILY LEAVE THE SERVICE INCLUDING VOLUNTARY RETIREMENT.

C. THOSE WHO ARE SEPARATED AND ELIGIBLE FOR AN IMMEDIATE CSR ANNUITY. HOWEVER, IF OTHERWISE ELIGIBLE

FOR SEVERANCE AT THE TIME OF SEPARATION, SEVERANCE PAYMENT WILL BE MADE FOR PERIODS OF EMPLOYMENT UNDER PERSONAL SERVICES CONTRACT BEFORE JANUARY 1983 WHICH ARE NOT INCLUDED IN CSR ANNUITY CALCULATION AND FOR WHICH SEVERANCE PAYMENT HAS NOT PREVIOUSLY BEEN MADE.

D. THOSE WHO ARE SEPARATED AND ARE ELIGIBLE FOR A DEFERRED CSR ANNUITY EXCEPT AS FOLLOWS: SUCH EMPLOYEES MAY RECEIVE SEVERANCE PAY IF ELIGIBLE; HOWEVER, THE AMOUNT OF SEVERANCE PAY MAY NOT EXCEED AN AMOUNT CORRESPONDING TO SALARY THE EMPLOYEE WOULD HAVE RECEIVED FROM DATE OF SEPARATION TO DATE OF DEFERRED ANNUITY OF SEPARATION, OR THE AMOUNT FOR PERIODS OF EMPLOYMENT UNDER PERSONAL SERVICES CONTRACTS BEFORE JANUARY 1983 WHICH ARE NOT INCLUDED IN CSR ANNUITY CALCULATIONS AND FOR WHICH SEVERANCE PAYMENT HAS NOT BEEN MADE, WHICHEVER IS GREATER.

E. THOSE WHO ARE SEPARATED FROM FULL-TIME APPOINTMENTS AND RE-EMPLOYED, WITHOUT A BREAK IN SERVICE, UNDER PART-TIME APPOINTMENTS, OR VICE-VERSA.

F. THOSE WHO ARE SEPARATED FROM "TEMPORARY APPOINTMENTS."

G. THOSE WHO ARE SEPARATED AS A RESULT OF A MEDICAL DISABILITY.

IV. CREDITABLE SERVICE

THE FOLLOWING CRITERIA GOVERN THE DETERMINATION OF CREDITABLE USG SERVICE FOR SEVERANCE PAY PURPOSES:

A. CREDITABLE SERVICE IS DOCUMENTED CONTINUOUS SERVICE WITH USG AGENCIES UNDER A NON-TEMPORARY DIRECT-HIRE APPOINTMENT OR PERSONAL SERVICES CONTRACT FOR WHICH SEVERANCE PAY HAS NOT BEEN RECEIVED. CONTINUOUS SERVICE IS SERVICE WITHOUT A BREAK OF MORE THAN THREE CALENDAR DAYS.

B. CREDITABLE SERVICE INCLUDES EMPLOYMENT UNDER A "TEMPORARY" APPOINTMENT THAT IS CONVERTED TO A NON-TEMPORARY APPOINTMENT OR TO A PERSONAL SERVICES CONTRACT WITHOUT A BREAK IN SERVICE OF MORE THAN THREE CALENDAR DAYS.

C. CREDITABLE SERVICE INCLUDES SERVICE PERFORMED

UNDER A PERSONAL SERVICES CONTRACT. ELIGIBLE EMPLOYEES ARE NOT GRANTED SEVERANCE PAY AT THE EXPIRATION OF THEIR CONTRACTS IF (1) THE CONTRACT IS TO BE RENEWED, OR (2) THE EMPLOYEE TRANSFERS TO A DIRECT-HIRE POSITION WITHOUT A BREAK IN SERVICE OF MORE THAN THREE CALENDAR DAYS.

D. CREDITABLE SERVICE DOES NOT INCLUDE ANY PERSONAL SERVICES CONTRACT TIME WITH PEACE CORPS, AS REQUIRED BY SECTION 10 (A) (5) OF THE PEACE CORPS ACT, SECTION 4.1 OF MS 735 AND 3 FAM 926 3F.

E. CREDITABLE SERVICE DOES NOT INCLUDE ANY PERSONAL SERVICES CONTRACT TIME WITH FOREIGN AGRICULTURAL SERVICES, AS REQUIRED BY PUBLIC LAW 100-202, DECEMBER 22, 1967, AND 6 FAS/FAM 211.5.

F. CREDITABLE SERVICE INCLUDES INDIRECT EMPLOYMENT FOR SO-CALLED NONPERSONAL SERVICES WITH AN IN-HOUSE ENTITY PROVIDING SERVICES EXCLUSIVELY TO THE MISSION WHEN (1) SUCH SERVICE IS CONSIDERED BY THE GOVERNMENT OF FIJI TO BE AN INTEGRAL PART OF THE MISSION, (2) SEVERANCE PAY HAS NOT PREVIOUSLY BEEN RECEIVED FOR THIS SERVICE, (3) SUCH SERVICE IMMEDIATELY PRECEDES PERSONAL SERVICES CONTRACT OR DIRECT-HIRE EMPLOYMENT WITHOUT A BREAK IN SERVICE OF MORE THAN THREE CALENDAR DAYS, AND (4) SUCH SERVICE IS RECOGNIZED BY LOCAL LAW TO BE CONTINUOUS SERVICE WITH THE USG.

G. PERIODS OF LEAVE WITHOUT PAY IN EXCESS OF TWO WEEKS ARE DEDUCTED FROM CREDITABLE SERVICE.

H. PART-TIME SERVICE WILL BE PRORATED ACCORDING TO THE NUMBER OF REGULARLY SCHEDULE HOURS IN THE EMPLOYEE'S WORKWEEK.

V. REFUNDS OF PAYMENT

PERSONS WHO HAVE RECEIVED SEVERANCE PAY FROM THE USG AND ARE RE-EMPLOYED BY THE USG SHALL NOT BE PERMITTED TO REFUND ANY PORTION OF THE PAYMENT. ELIGIBILITY TOWARDS NEW SEVERANCE PAY ENTITLEMENTS SHALL BEGIN AS OF THE DATE OF RE-EMPLOYMENT.

VI. TRANSFERS

A. BETWEEN USG AGENCIES WITHIN A COUNTRY

SEVERANCE PAY IS NOT AUTHORIZED TO EMPLOYEES WHO ARE TRANSFERRED BETWEEN CIVILIAN USG AGENCIES WITHIN A COUNTRY. TRANSFERS ARE CONSIDERED A CHANGE IN EMPLOYMENT FROM ONE USG AGENCY TO ANOTHER WITHOUT A BREAK IN SERVICE OF THREE CALENDAR DAYS OR MORE. SERVICE CREDIT TOWARD SEVERANCE PAY ENTITLEMENTS WHICH HAS BEEN EARNED THROUGH EMPLOYMENT WITH THE LOSING AGENCY IS TRANSFERRED TO THE GAINING AGENCY. GAINING AGENCY WILL ASSUME ALL OBLIGATIONS FOR SEVERANCE PAY FOR PRIOR CREDITABLE PERIODS OF SERVICE WITH ANY USG AGENCY, IF THE EMPLOYEE IS ENTITLED TO SEVERANCE PAY ON FINAL SEPARATION. FOR TRANSFERS INVOLVING MILITARY SERVICE COMPONENTS, THE INTERAGENCY FUNDING (IF NECESSARY) IS TO BE RESOLVED ON A CASE-BY-CASE BASIS.

B. BETWEEN OR WITHIN USG AGENCIES IN DIFFERENT COUNTRIES

THE RULES IN PARAGRAPH VI. A. APPLY. UNDER THESE CIRCUMSTANCES, SERVICE CREDIT TOWARD SEVERANCE PAY

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ENTITLEMENTS EARNED UNDER THE TERMS OF THE LOSING
POST'S PLAN WOULD BE TRANSFERRED TO THE GAINING POST.
ANY SEVERANCE PAY ENTITLEMENTS OF SUCH EMPLOYEES ARE
BASED ON THE TERMS OF THE SEVERANCE PAY PLAN IN EFFECT
AT THE GAINING POST.

VII. APPEALS

IF DISPUTES ARISE INVOLVING SEVERANCE PAY ENTITLEMENTS
OR REQUIREMENTS, THE EMPLOYEE HAS THE RIGHT TO APPEAL

TO THE AMBASSADOR OR DESIGNEE. THE DECISION OF THE
AMBASSADOR OR DESIGNEE SHALL BE FINAL. RULES GOVERNING
GRIEVANCE APPEALS ARE ON FILE AT THE MISSION PERSONNEL
OFFICE.

VII. AGREED TO BY: (SIGNATURE OF ALL AGENCIES AT
POST).

END OF SEVERANCE PAY PLAN.

6. POST SHOULD NOTE THAT IF DESIRED, AMOUNT OF
SEVERANCE CAN BE REDUCED TO A 2 WEEK TIMES YEARS OF
SERVICE FORMULA. FORMULA CONTAINED HEREIN IS THE
MAXIMUM POSSIBLE BASED ON PREVAILING PRACTICE. PLEASE
ADVISE.

7. THE ABOVE PLAN SHOULD BE INCLUDED AS AN ATTACHMENT
TO THE LOCAL COMPENSATION PLAN.

8. PLEASE FORWARD COPIES OF THE SIGNED SEVERANCE PAY
PLAN TO PER/FSM/SB AND EAR/EX AND DISTRIBUTE OTHERS IN
ACCORDANCE WITH 3 FAM 932.5D. CHRISTOPHER

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RDO/SP Close out plan

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VI. Administrative Close-Out

[N.B.: The following should be read in conjunction with the TDY reports completed by USAID/Manila team that visited Suva on TDY January 19-February 1, 1994.]

A. Overview

Administrative close-out of RDO/SP and RDO/SP/PNG will be carefully coordinated to ensure that sufficient USDH, USPSC, TCNPSC, and FSNPSC staff remain to effect an orderly phase-down and close-out of all Mission operations, and that all leases, contracts, and other administrative details are dispensed with by the end of the fiscal year.

Because of the relatively late date in the fiscal year to effect the number of actions required to carry out close-out actions, as well as a loss of nearly 50% of RDO/SP's clerical/administrative support staff since the announcement of RDO/SP's closure, the Mission proposes keeping the bulk of the remaining clerical staff until the fourth quarter FY 94. Other staff, for instance, those in the Controller's office, might be made redundant at an earlier date as their functions are transferred to USAID/Manila.

In order to stem the tide of rapid staff departures, RDO/SP, in collaboration with the rest of the US Mission in Fiji, set about to include a severance plan in its FSN Compensation Package, which until early January did not exist. A severance plan was not included in the current FSN Compensation Package because the two comparator firms used when the FSN Compensation Package was devised did not, at that time, have severance packages. However, as they now do, and as other multilateral donor organizations queried indicated that they too had severance packages, the US Mission submitted to FSN/PER (State Department) a proposal to include a severance plan in its FSN Compensation Package. As of this writing, the Mission has been informally advised that the proposed severance plan was favorably reviewed (although the terms of the plan are not known), and that interagency agreement for the plan is the next step in the process. The formal approval and inclusion of the plan into the FSN Compensation Package was done by all affected USG agencies at post on January 20, 1994 and made retroactive to the pay period beginning January 9, 1994.

With an approved severance plan, RDO/SP is confident that it will be able to retain most of its remaining staff until closure or until such time as positions are made redundant.

In addition to the severance plan, several other initiatives have been undertaken to improve employee morale. One such initiative begun early this year is a pledge made by Mission management that it will do its best so that, come October 1, 1994, all FSNPSC employees currently on RDO/SP's rolls will either have a new job to report to, or will have the skills necessary to get a new job. In this regard, a Mission-wide effort is being undertaken to ensure that all FSNPSCs have up-to-date resumes that reflect the employees' true skills, that the resumes are compiled according to skill category and sent to government, donor, and private sector organizations on a regular basis to actively promote their future employment, and that

Although our close-out went pretty much according to plan, there were times when we were required to exercise judgement in interpreting USAID/W close-out guidance. For instance, we discovered after the fact that there were a couple of internal inconsistencies within the Close-Out Plan itself, and between the Plan and the approval memorandum (e.g., agreed-upon dates differed by one or two months). Under these circumstances, it did not appear necessary, desirable, nor efficient to refer back to the AA/M for an interpretation. Thus, when such discrepancies arose, we did what made the most sense. We in no way violated the spirit nor the letter of the close-out plan, but we also did not burden Washington with questions of interpretation that it was not as well-placed as the field to address. USAID/W should recognize that RDO/SP's close-out was relatively easy, and that more complex programs are likely to have more complex problems. Consequently, there should be a general understanding between the M, PPC, and geographic bureaus that the field will exercise judgement when discrepancies occur.

Missions should schedule for legal advisor, contracting officer, and other technical officer skills early: Once the final decisions have been made, the next step is to make sure the decisions are reflected in Project Grant Agreement Amendments, Contract Amendments, and/or Cooperative Agreement Amendments. This usually means that the skills of a Project Development Officer must be tapped (or obtained, if not available in house), in addition to other technical and legal assistance, to prepare the necessary amendments. Scheduling this assistance as early in the process as possible is helpful as the details of the decision(s) are still fresh in peoples' minds. Also, you can expect that staff resources (USDH and FSN) will diminish over time, leaving fewer to do more jobs. Best to get the mundane details out of the way while you have the resources to do so.

Missions should work with FSN and other staff losing their jobs to improve their job-searching skills: Perhaps the most traumatic part of closing a mission is the fact that, with the exception of the USDH staff, all other mission employees will be losing their jobs. What can USAID do to make this transition go smoothly? We tried a number of things. First, not long after the closure was announced, we launched a "campaign" of sorts saying that it was management's intent that when the FSNs were terminated, they would either have a new job to go to, or would have the resumé and interviewing skills to find one. We then worked with every employee desiring this assistance to revise their resúmes (important note: don't rewrite the resúmes yourself, but have the employee do it; if you do it, the employee won't "own" it). Working from information obtained from the USAID/W HR offices in resumé writing and interviewing skills, we also conducted workshops on interviewing skills. Finally, we were able to obtain a videotape on interviewing skills, which we showed to the FSN staff.

As a result of these efforts, we were fairly successful in our campaign. As RDO/SP closes, about 80% have already found onward employment. The remainder are well-armed with the skills to find a good job in Suva's competitive job market (some have already had interviews and are awaiting final decisions).

To: David Leong@Phnom Penh@Phnom Penh
Cc: Henderson Patrick@ANE.ORA.O@AIDW
Bcc:
From: Michael A. Rogal@M.MPI@AIDW
Subject: RDO/SP CLOSE OUT
Date: Tuesday, September 27, 1994 15:56:02 EDT
Attach:
Certify: N
Forwarded by:

David:
No time was wasted in getting you on E-mail in your new location. Good luck in Phnom Penh. Since I've been in both I know it sure is different than Suva.

I just finished reading Close-Out Summary Report. It is excellent. Thanks for all the insights. They will be helpful.

Larry Byrne has also read the report and raised some questions that I believe you are the only or at least the most knowledgeable person to respond. On Page 17 in the first paragraph you said there were internal inconsistencies within the Close-out Plan itself and between the Plan and the approved memorandum. Some dates differed by a couple of months. Thus, when discrepancies arose you resolved them yourself according to what made sense instead of referring them back to USAID/W for a decision.

They want to know what they were. I am also curious. Can you provide a BRIEF description of what they were. I presume they were all resolved and settled before you left. Thanks and again Well Done!

Michael

M. Rogel



OCT 5 1994

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

TO: AA/BHR, M. Douglas Stafford
FROM: AA/M, Larry E. Byrne *Larry Byrne*
SUBJECT: Notification to PVOs on Continuation of Ongoing Grants
in Closeout Countries

After again reviewing my decisions at the Mission Close-out Reviews and taking into consideration the Action Memorandum on USAID-Financed Activities in Non-Presence Countries signed by the Administrator on June 15, 1994, and BHR's Memorandum on PVO Programs in the South Pacific, Togo and Belize, I want to inform you of my decisions.

- 1. Regional Development Office, South Pacific (RDO/SP):
 - a. Foundation of the Peoples of the South Pacific (FSP) - Child Survival Matching Grant, and
 - b. Project Concern International (PCI) - Child Survival Matching Grant.

I now approve the continuation through the end of FY 1996, the Grant termination date, of the FSP and the PCI Child Survival Matching grants. These are both fully-funded Child Survival Matching Grants with the responsibility for program monitoring and oversight in the BHR/PVC's Child Survival Program and no mission management is or has been involved in these activities.

- 2. USAID/Togo: Catholic Relief Service (CRS) Title II food aid program.

I authorized the continuation of the CRS Title II food aid program through FY 1995 to allow for the distribution of FY 1994 food shipments. Since this decision requires CRS to be in-country during FY 1995 for the purpose of carrying out the feeding program element of their project, including food received in FY 1995, they are also authorized to continue to carry out the non-feeding elements of their project during this period as well. However, CRS must prepare a plan for USAID approval that provides for completing all activities and closing their USAID-funded operations to meet the September 30, 1995 termination date.

3. USAID/Belize: US PVO, KATALYSIS

Since neither USAID/Belize (Mission stated that this activity did not support Mission Objectives) nor the LAC Bureau supported continuation of the centrally-funded matching grant to KATALYSIS, it does not meet the criteria established in the June 15, 1995 Action Memorandum. Therefore, I reaffirm my previous decision that the activity close one year early, by the end of FY 1995.

Clearance:

M/MPI:CDMcgraw *CM* Date: 10-4-94

MRogal
M/MPI:MRogal;mr:10/3/95:x7-2902: U:\MPIPUB\DOCS\BHR-PVOS.LEB



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

SEP 23 1994

MEMORANDUM

TO : Larry Byrne, AA/M
FROM : Margaret Carpenter, AA/ANE *MC*
SUBJECT : Closure of USAID/RDO/SP

On September 9, 1994, USAID's Regional Development Office for the South Pacific (RDO/SP) officially closed. This was three weeks ahead of the time mandated by the closeout decisions. The RDO's sub-office in Port Moresby, Papua New Guinea closed in June.

As agreed to during closeout meetings, USAID/Philippines will be responsible for overseeing RDO/SP's residual actions for a limited number of activities continuing into FY 95. There will also be one FSN (USAID Liaison Advisor) located in the U.S. Embassy/Suva until the fourth quarter of FY 95 and two project funded advisors that will continue to oversee the remaining project implementation into the middle of FY 95.

The success of the RDO/SP's closeout and the professionalism of its staff in carrying out a very difficult assignment is quite an achievement and should serve as a model for other USAID closeout countries.

Please find attached a copy of the RDO/SP Close-Out Summary Report for your review. I would like to call your attention to the section on lessons learned, which has some valuable insights for future closeouts.

clearances to Closeout Memo to Larry Byrne from Margaret
Carpenter

ANE/EA:JVermillion
ANE/EA:JGilmore
ANE/DAA:LMorse

	date	9/20/94
	date	9/21/94
	date	9/21/94

Drafted by ANE/EA/MSP Chowell, Sept 19, 1994, x74515
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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
Regional Development Office/South Pacific

American Embassy
P.O. Box 218
Suva, Fiji

Telephone: (679) 311-399
Telefax: (679) 300-075

- OFFICE OF THE REGIONAL DIRECTOR -

Date: September 9, 1994
To: See Distribution
From: David Leong, Acting Regional Director, USAID/RDO/SP
Subject: RDO/SP Close-Out Summary Report

Today, USAID's Regional Development Office for the South Pacific (RDO/SP) formally closes. Except as noted herein, responsibility for all remaining residual actions are transferred to USAID/Philippines. Attached is the summary report concerning all aspects of our close-out. Volume One provides the executive summary, including lessons learned. Volume Two addresses project-specific issues and identifies outstanding actions required to close out the remainder of RDO/SP's portfolio. This report should be read in conjunction with the February 7, 1994 version of RDO/SP's Close-Out Plan and the approval memorandum signed by AA/M Larry Byrne.

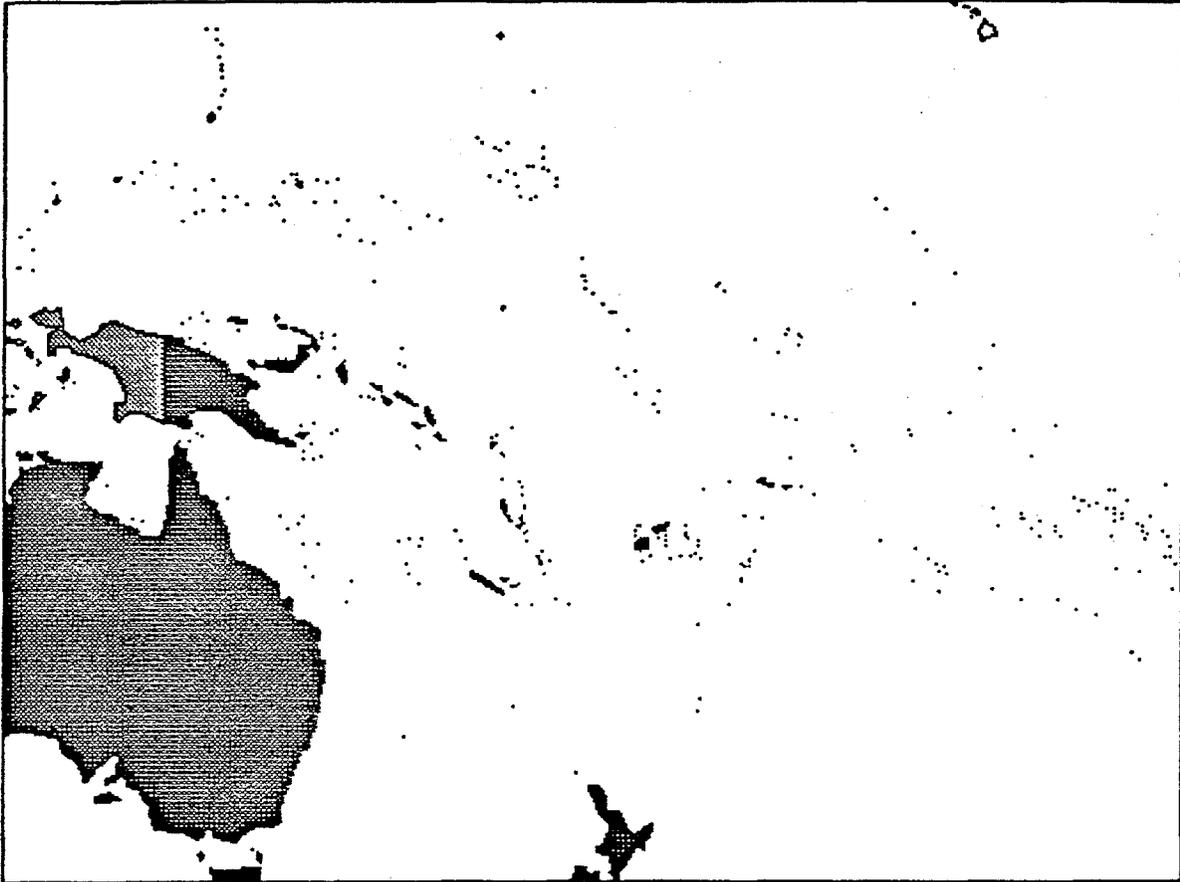
Attachment: USAID/RDO/SP Close-Out Summary Report, Volumes One and Two

Distribution:

Larry Byrne, AA/M (Agency Close-Out Coordinator)
Margaret Carpenter, AA/ANE
Linda Morse, DAA/ANE/ASIA
Judy Gilmore, ANE/ASIA/EA
Chuck Howell, ANE/ASIA/EA
Mary Eliza Reilly, LPA/LEG
Howard Salter, LPA/XA
William Granger, M/AS/OMS
Tom Stukel, Director, USAID/Philippines



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
Regional Development Office/South Pacific



The South Pacific Region

USAID/RDO/SP
Close-Out Summary Report
Volume One
September 9, 1994

FOREWORD

"*Turn out the lights when you leave!*" The words echo in my ears. I heard it often. I was to be the last USDH at post when USAID's Regional Development Office in the South Pacific closed. When I got on that plane to leave, RDO/SP would become a memory.

But, what about this closure? What is it, exactly? Terminating projects and agreements with governments? Terminating leases, contracts, and agreements? Releasing everyone on your staff? Selling all the furniture and equipment? Completing report after report? Redefining "development impact" in EERs? It is all of these things, and more. Much more.

Closing a mission is an enormous task. Even though RDO/SP was a relatively small mission--only five USDH in Fiji and one in Papua New Guinea, remember that RDO/SP was a *regional* mission, covering ten countries--populated by over five million people--spread out over an area larger than the U.S. The mission--including USDH, US-PSCs, FSNs, TCNs, and contractors/grantees--totalled over fifty people. How does one--in roughly six months--"turn off" a mission whose portfolio is just hitting its stride and beginning to yield tangible developmental impact (after a conscious decision to build up USAID's presence in the region less than three years earlier)? Answer: *very carefully and with a lot of finesse and hard work.*

Of primary importance was keeping our diplomatic relations on an even keel. Ours was considered a "friendly" closure (with an OE cost of \$1.2 million/year, we were considered an expensive mission to operate relative to the size of our development assistance program). And, as most of the countries in the South Pacific consider USAID to be the U.S. Government, concern was expressed--publicly and privately--that the U.S. Government was turning its back on the region. These sentiments could not be ignored. In keeping with "the Pacific Way" we met with governments face-to-face to explain the reasons behind the closure decision and to underscore how difficult a decision it was for the Administration to make. We also explained how the close-out would affect their particular country. Fortunately, in most cases, the closure decision did not radically affect ongoing assistance. It did, however, affect future planned assistance.

We also had to ensure close out was done "by the book"--programmatically and administratively. This was complicated by the fact that the office resources (office space, staff, computers, etc.) were disappearing all the while we were trying to complete the numerous required tasks. Finally, we had to manage the human resources within the mission. Keeping staff focused on the tasks at hand and not letting the negative morale affect the work schedule was an incredible challenge. To pull it off, we counted on the contribution of every member of the team. I'm happy to say that, when push came to shove, I was not let down.

Did we succeed? Only time will tell. Nevertheless, I believe we gave it our best shot and I salute every member of the RDO/SP team who made it happen.

The close-out is now complete... if there were any lights left, they'd be out. Importantly, because of the way that we closed, we remain welcome in the region, mission or no mission. For that, I am most proud.

D.L. 9/9/94

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I. Introduction

A. Overview

This report summarizes the close-out of USAID's Regional Development Office/South Pacific (RDO/SP), with its main offices located in Suva, Fiji, and its branch office in Port Moresby, Papua New Guinea (PNG). Because of sheer number of details, the report is divided into two volumes. Volume One summarizes the *Programmatic Close-Out*, i.e., the termination/transfer of projects/non-projects in RDO/SP's portfolio; the *Administrative Close-Out*, i.e., the physical closure of the Suva and Port Moresby offices; and a section on *Lessons Learned*. Volume Two addresses the programmatic close-out in greater project-by-project detail.

RDO/SP would like to recognize the tremendous contributions made by the entire staff of RDO/SP and RDO/SP/PNG (Attachment 1), without whose dedication and professionalism we would not have been able to successfully execute our Close-Out. We also acknowledge the contributions made by USAID/Philippines (Program, Project Development, Health/Population/Nutrition, Agriculture and Natural Resources, Contracting, Financial Management), USAID/Indonesia (Legal Advisor), RIG/Singapore, and USAID/W staff who helped "operationalize" our Close-Out Plan to ensure that this most difficult of mandates was carried out--on schedule, in accordance with USAID regulations, and under-budget.

B. Programmatic Close-Out

The programmatic close-out was executed as planned and as approved. The Market Access and Regional Competitiveness (MARC) and the Malaria Immunology and Vaccine Field Trials (MI&VFT) Projects will be officially terminated at the end of September 1994, although they were functionally terminated as of early September. In addition, transfer of the South Pacific Fisheries Treaty Program II (FTP II) was made to the State Department in June 1994 following the mid-June disbursement of the FY 94 tranche (\$14 million) to the Forum Fisheries Agency. The State Department, in turn, has transferred responsibility for FTP II to the U.S. Embassy located in Port Moresby, Papua New Guinea.

Responsibility for the remaining projects in RDO/SP's portfolio--which were allowed to proceed into FY 95 to achieve minimum "useful units of assistance"--was transferred to

USAID/Philippines on July 1, 1994. Where required, obligation and commitment documents were prepared prior to transfer: by June 30, 1994, 100% of RDO/SP's approximately \$16 million in program funds were obligated and/or awaiting contracting officer action to commit the funds.

Prior to formal transfer of the projects, USAID/Philippines sent two teams to the South Pacific to assist with planning for the close-out. In January 1994 a four person team (Program Officer, EXO, Regional Contracting Officer, and Controller) assisted with the planning for the administrative and programmatic close-out. During May/June 1994, USAID/Philippines project and contracting officers visited the South Pacific region on TDY to familiarize themselves with the projects, meet project counterparts, USAID staff, and project advisors, and determine necessary contracting actions to effect close-out decisions. The USAID/Indonesia Regional Legal Advisor also traveled to Suva to provide legal assistance on agreements and PP supplements, overlapping with the second USAID/Philippines team. The TDYs were extremely important elements of the transfer of oversight responsibilities to USAID/Philippines. The visits also created a sense of ownership between the new project officers and the projects for which they would be assuming responsibility. Because of this, we have the confidence that those elements of RDO/SP's portfolio that are considered most critical to achieve development impact will be brought to a successful conclusion.

To facilitate USAID/Philippines's ability to oversee the remainder of USAID's South Pacific portfolio after RDO/SP's Suva and Port Moresby offices were closed, one FSN position--called the "USAID Liaison Advisor"--(filled by Clara Lobendahn), is being retained for a one-year period after the mission's closure. The USAID Liaison Advisor has been located in the U.S. Embassy in Suva and reports to the U.S. Embassy Political Officer (who has been given the general responsibility for overseeing USAID affairs after the mission closes). The terms of reference, Memorandum of Understanding between USAID/RDO/SP and the U.S. Embassy/Suva, and description of functional roles and responsibilities are contained in Attachment 2 of this report (Volume One). Communications should be primarily through e-mail using the AIDNET/DOSNET e-mail interface. However, as this linkage has proven to be unreliable (mostly due to technical difficulties in Washington); cables, phone, fax, pouch, and courier services will be used as well.

In addition to the USAID Liaison Advisor, two Third Country National (TCN) project advisors will remain in Suva for approximately nine months after RDO/SP closes to oversee project implementation: Dr. Andrew McGregor for the Commercial Agricultural Development (CAD) Project; and Mr. Elisala Pita for the Pacific Islands Marine Resources (PIMAR) Project. These two advisors will be housed in a project-funded project office located adjacent to the U.S. Embassy. They will work with the USAID Liaison Advisor to communicate with the cognizant project officers in Manila.

C. Administrative Close-Out

The administrative close-out was executed as planned and approved. It turned out to be a massive exercise for our small, but excellent, administrative office, and were it not for their sustained effort, we would not have been able to execute the close-out as successfully as we had.

The "Close-Out Checklists" provided by USAID/W in January 1994 served as a useful foundation to work from. However, as they were only checklists, they concentrated on "what" had to be done, rather than "how." For that, we relied heavily upon the expertise of our US-PSC and FSN staff. It should be noted, too, that many of the tasks and procedures highlighted in the Close-Out Checklists were, in fact, what should be considered a mission's standard operating procedures. Consequently, only a few adjustments had to be made to adapt our operations to the exigencies of the close-out.

RDO/SP's "EXO" function has traditionally been filled by a US-PSC administrative advisor (Kathryn Hawley) supervised by RDO/SP's Controller. The administrative advisor was able to oversee the entire administrative close-out. However, to ensure that nothing was overlooked--in addition to helping manage the multitude of last-minute actions--we obtained the services of a USAID/W-based executive officer (Nancy Hoffman, M/AS/OMS), during two TDYs: first in May/June 1994 as the physical close-out was developing momentum, and second in late-July to early-September as the physical close-out was drawing to an end.

1. Personnel

A schedule to release staff was developed by mission management in consultation with division chiefs. The personnel phase-down schedule ensured a timely drawdown of staff yet also met the needs of the various divisions to allow for an orderly transition of activities from RDO/SP to USAID/Philippines.

The staff were formally advised of their respective termination dates by letter in late March, immediately after we received formal advice that RDO/SP's Close-Out Plan was approved by USAID/W (AA/M Larry Byrne). As there was a four-month gap between the time the closure was announced and RDO/SP's Close-Out plan was formally approved, we had already put in place systems to provide career counseling and guidance to staff (viz. resumé writing workshops, interviewing skills development and counselling, etc.). Although it was offered, no FSN employees elected to have their resumé circulated to other aid and diplomatic missions in a general directory of available staff; rather they decided to seek employment on their own after their resumé were "upgraded."

Once the personnel phase-down schedule was developed, the USDH staff were able to estimate when they could schedule their own transfers. Fortunately, our USDH staff was relatively

small (five USDH in Suva; one in PNG), so scheduling transfers was not particularly difficult once provisional departure dates were determined.

Because of the nature of the close-out operation, those working in the administrative section had to be kept longer, while those in the technical divisions (e.g., Business Development and Environment, Agriculture, and Health) could be released earlier. The number of departing staff increased once formal transfer of activities to USAID/Philippines was effected. In the end, the USDH phase-out was carried out as follows:

<u>Officer</u>	<u>Departure Date</u>
Agricultural Development Officer	May 1994
Assistant Director/PNG	June 1994
Program Officer	July 1994
Health, Population, and Nutrition Officer	August 1994
Controller/EXO	August 1994
TDY EXO	September 1994
Acting Regional Director	September 1994

The reassignment of USDH staff was not without its difficulties, however, as the Human Resources office in USAID/W also had to simultaneously cope with USAID's general reorganization. In the end, however, the transfers did occur, and, at last check, everyone was accounted for.

2. Financial Management

USAID/Philippines was designated by the DAA/ANE/ASIA to be the office responsible for RDO/SP's "residual actions" after RDO/SP closed. Thus, in coordination with USAID/Philippines, an orderly schedule to transfer the accounting function to Manila was developed. On April 1, MACS was transferred. The RDO/SP Chief Accountant traveled to Manila with the MACS tapes and worked with USAID/Philippines Controller Office staff to ensure that the system was successfully transferred from its Wang/VS platform to USAID/Philippines's SUN/UNIX platform. The transfer was completed successfully in early April.

On July 1, the remainder of the accounting function was transferred to Manila. We were able to schedule the USAID/Philippines Controller to route herself through Suva on her return from home leave to resolve any outstanding questions/issues. Also, she was able to return to Manila handcarrying the payment files. By transferring the payment files in this fashion, we were able to ensure proper security of these files. Additionally, the vouchers could be processed in a timely fashion once received in Manila.

Regarding audits, two audits (and one investigation) took place during the close-out period. The first audit--actually conducted prior to the closure announcement--identified minor problems under our Regional Family Planning Project (RDO/SP has been working with the implementing agency to resolve the problem). The second audit--conducted in May/June 1994--was of the Malaria Immunology and Vaccine Field Trials Project in Papua New Guinea. As of this writing, no draft report has been issued. Although the project files were initially to have been sent to USAID/W for disposition, they now are being sent to USAID/Philippines in case any audit findings requiring follow-up are identified. The IG investigation referred to above concerns a particular supplier under our (now terminated) Commodity Import Program, and is part of a larger investigation. Although RIG/I/Singapore has advised us that it no longer needs access to the CIP's files for its investigation, there are two other minor outstanding issues that may not be resolved by the time RDO/SP closes (our contact in USAID/W has been GC); consequently, the files for the CIP have been forwarded to USAID/W in case any follow-up is required.

Regarding the other areas identified in the Close-Out Checklist (e.g., Pipeline Reviews, Property, Reporting, Trust Funds, Operating Expenses, Advances, Accounts Receivable, Cashier Operations, Voucher Processing and Prompt Pay, Loan Accounting, Payroll, FICA, and Federal Income Taxes, Local Currency Management, MACS and Accounting Records (discussed above), and Miscellaneous), they are either covered as RDO/SP's standard operating procedures (and hence, have been addressed), or are not applicable, for instance, in the case of trust funds.

3. Procurement and Supply

Again, the items identified in the Close-Out Checklist were useful reminders of what to do, but they also reiterated what was RDO/SP's standard operating procedures.

When RDO/SP's closure was announced, there were two small OE EXP and one OE NXP shipment en route. Other EXP and NXP orders were in process, but we were able to cancel them before the items were shipped.

The OE EXP order was received and stored with the other EXP in RDO/SP's warehouse. The NXP shipment--a SUN/UNIX computer platform and peripheral equipment for our MACS files--was shipped back to USAID/W per IRM's instructions. IRM will be responsible for sending this equipment onward to another post.

4. Personal Property

In accordance with disposal procedures, the availability of expendable (EXP) and non-expendable (NXP) property was announced in a world-wide cable in early February 1994. Requests for specific items in the NXP listing came in from USAID missions in India and

Cambodia. USAID missions for the West Bank/Gaza, Sri Lanka, and Cambodia also expressed tentative interest in some or all of the representational china/glassware/flatware. USAID/Cambodia later withdrew its request, and because USAID/Sri Lanka only wanted certain pieces of it, we ultimately shipped it all to the West Bank/Gaza program in the HHE of one USDH employee being reassigned there.

The majority of the EXP was shipped to USAID/Cambodia. For a variety of reasons, including the likelihood that the USG would only obtain a fraction of the procurement cost for the EXP, the fact that USAID/Cambodia was an expanding mission, and the possibility of shipping items under the HHE allowance of a tandem couple being reassigned there, packing and shipping the remaining EXP to Cambodia appeared to be a cost-effective solution. This also ensured that the supplies were sent to a place that could use them.

RDO/SP's computers (PCs, LAN server, printers, etc.) were sent to USAID/Philippines. In addition, some NXP (e.g., beds, etc.) and EXP were also sent in the container to "round out" the computer shipment.

Most of the remaining Personal Property was disposed of via sealed bid sales. Exceptions were when already-installed air conditioners and alarm systems were sold to landlords on a negotiated sale basis (using sealed-bid sale prices as our guide). We determined that taking such an approach would be more cost effective than removing the systems and returning the houses to their original condition. Also, by using the negotiated sale approach, we were able to keep the last USDHs in leased quarters until their departure, rather than putting them up in hotels, yielding additional savings to the USG.

Disposal of security equipment in the main office building took place following consultation with IG/SEC. For the most part, security fixtures (e.g., building entry equipment, glass booths, etc.) were abandoned in situ, after lock tumblers and certain other security enhancements (e.g., electronic locking mechanisms) were removed and destroyed. As was the case above, it was ultimately cheaper for the USG to abandon certain equipment than to remove it and return the building to its original condition. Hand-held security radios were returned to IG/SEC as it had requested.

Disposal of all personal property in Port Moresby was effected with the assistance of RDO/SP's administrative advisor who traveled to Port Moresby on TDY to assist the RDO/SP Assistant Director. All personal property was disposed of via a sealed-bid sale. The sale went very smoothly, although problems were encountered when disposing of the official vehicle (purchased at the end of FY 93). Ultimately, the first and second bidders dropped out, and the third bid was considered too low to accept (approximately \$3,800 for a car we had paid \$24,000). We later held another sealed bid sale and disposed of the vehicle for approximately \$9,300.

Briefly, RDO/SP's personal property was disposed of as follows:

Transferred to: USAID/Philippines (\$347,466): computers, transformers, furniture;
 USAID/Washington (\$77,686): SUN/UNIX system;
 USAID/Cambodia (\$15,658): EXP, generator, transformers;
 USAID/India (\$6,293): appliances;
 USAID/West Bank/Gaza: (\$3,500 (est.)): representational china;
 USAID/Jordan (\$700 (est.)): furniture;
 IG/SEC (\$3,932): security equipment; and
 AmEmbassy/Suva (including Peace Corps) (\$25,449): furniture.

In addition, \$191,528 was received from sealed bid sales. These funds were returned to the U.S. Treasury.

5. Real Property

The task of withdrawing from Suva and Port Moresby was relatively easy as USAID owned no real property. Lessors of offices and residential properties in Suva and Port Moresby were notified by letter as soon as we knew that the mission's closure was official; once we had dates for when specific properties would become vacant, we negotiated the terms of lease acquittance. As alluded to before, there were instances where negotiating sale of a limited amount of NXP (e.g., one bed, one refrigerator, one washer/dryer, air conditioners, etc.) was more expedient and cost-effective than removing the items and renovating the properties to their pre-lease condition. Using the negotiated sale route, we were also able to keep two houses inhabitable by the remaining USDH employees (Acting Regional Director and TDY EXO), thus avoiding the need to put them up in a hotel.

As part of the USAID/W's approval of the RDO/SP's Close-Out Plan, two TCN employees would be retained after RDO/SP's closure to oversee residual close-out actions. As it would be difficult to manage property leases in Suva from Manila, the decision was made to have the occupants lease their quarters in their own name. Arrangements were made whereby advances to the TCNs could be made to landlords for advance lease payments. (In actual fact, only one TCN elected to pursue this; the other decided to move into the house that he had been building in Suva.)

6. Records Management

This was, perhaps, the most difficult--and frustrating--part of the close-out. Not only did it expose shortcomings in our records management function, but, frankly speaking, wasn't terribly exciting (thus making it difficult for project officers and advisors to focus on the tasks at hand). Also, it highlighted the fact that there is a significant difference between an operating C&R, and one that is being packed up for down-line use (e.g., by the new

USAID/Philippines project officers) or ultimate retention, recording, and disposal. Put another way, the files that one refers to on a daily basis might be less than a dozen, whereas, when contemplating transfer and disposal, one must address the full spectrum of files. When we did so, we identified some documents that had been systematically mis-filed for years. Thus, we had to first put the files in order as best we could, then dispose of them in accordance with M/AS/ISS/RM's instructions.

On that score, it is important to note that the mission had attempted to get some definitive guidance from M/AS/ISS/RM regarding records disposal: e.g., How far back should we go? Do we want to limit what we send back in order to keep shipment costs to a minimum? etc. After not hearing from M/AS/ISS/RM, we decided to do what made the most sense, i.e., keep things to a minimum and destroy everything else. To our surprise, when M/AS/ISS/RM ultimately did respond, they advised us to retain more vs. less (knowing that in most instances, the copies in our files were not the originals nor were they considered part of the "core" files). For those project files that remained, we followed M/AS/ISS/RM's guidance, but obviously, there was little we could do for the files we had already culled. (We had to take M/AS/ISS/RM's advice with a grain of salt anyway, as in their message re what we needed to keep, they also offered to hold a C&R training course for us, to be held the month we closed our doors!)

Not
Terribly
responsive

7. Participant Training

A limited number of RDO/SP's activities will be allowed to continue after our offices close to achieve "useful units of assistance" (to be managed by the USAID/Philippines project officers, assisted by two Suva-based TCN project advisors). These "useful units of assistance" include participant training. FY 94 close-out funds received were used to fully-fund those participants already in training (we recognize that their training programs should have been fully funded before they started training, but incremental funding of participant training is part of how RDO/SP did its business due to the incremental and fall-out nature of its development assistance funding).

After RDO/SP closes, the administrative details related to participant training will be handled by the U.S. Embassy/Suva-based USAID Liaison Advisor. She has been fully briefed by the former USAID Training Advisor and will be able to call upon the former USAID Training Advisor in the event questions arise.

In the event participant training visas are required, the signature of an American is required on the visa application. Until now, this has been the USAID administrative advisor (who was formerly the Training Advisor; she retained this task when she moved over to the Administrative side); the alternate was the former Assistant Director in PNG (who departed post in 1993). The U.S. Embassy/Suva Political Officer, Ms. Jane Miller Floyd, has agreed to take on this signing function as RDO/SP closes. The alternate will be the U.S.

Embassy/Suva Deputy Chief of Mission, Mr. Bruce Gray. RDO/SP advised USAID/W of this change via cable in mid-August.

8. Notes for Missions Without an Executive Officer

The section in the Close-Out Checklist entitled "Notes for Missions Without an Executive Officer" was particularly useful. Although we had competent resident-hire assistance ensuring that the close-out proceeded according to schedule, it was useful to have both the checklist, and the TDY assistance of an EXO, to verify that we had not overlooked any of the numerous close-out details.

II. Lessons Learned

A significant number of lessons were learned from this close-out experience. Obviously, we are able to make the following observations with the benefit of 20/20 hindsight; nevertheless, much can be learned by examining the process of this particular close-out. There are several caveats, however. First, we must remember that RDO/SP is a regional mission covering ten countries spread out over a geographic area larger than the U.S. Second, RDO/SP's region included the jurisdiction of three separate U.S. embassies in the region (Suva for Fiji, Tuvalu, Kiribati, and Tonga; Port Moresby for Papua New Guinea, Solomon Islands, and Vanuatu; and Apia (and Wellington, New Zealand) for Western Samoa, Cook Islands, and Niue). Third, RDO/SP had a branch office located in Papua New Guinea. Together, these factors added special challenges to our close-out that other close-out missions are not likely to encounter. Finally, there was a change in mission management soon after the close-out decision was announced. When the Regional Director was forced into retirement at the end of December 1993, one of the existing RDO/SP officers was called upon to oversee the close-out (rather than send in a senior officer for a nine-month period). Thus, certain comments/observations made herein are made with the best information available or our best understanding of how events transpired.

Although the lessons learned are often interrelated, it is easier to present them in sequential order. Thus, this section is divided into five sections: the period leading up to the closure announcement; the period the close-out plan is being developed; the period between the time closure is announced and the Close-Out Plan is approved; the period implementing the Close-Out Plan, and other. The lessons learned are intended for two primary audiences: Washington, and closing missions. To whom the advice is directed is self-explanatory.

A. Period Leading Up to the Closure Announcement

Communicate, Communicate, Communicate

Washington should bring the mission into the information loop before the closure is announced—quality information will increase the odds that quality decisions will be made: Although now probably only an academic point, we would like to state for the record that the involved mission should have input into the closure decision, if for no other reason than to confirm assumptions about a given program. The field mission would have the most up-to-date knowledge about all the details of its program, and hence, would be in the best position to advise on the pros, cons, and timing of its possible closure. In our case, the decision to close within less than one fiscal year was based on the (incorrect) assumption that our program could be easily "turned off." In fact, we could, but it wasn't easy. (This was complicated by the frequent change in desk officers—five in 1993; as a consequence, the bureau had limited understanding of our program, how we obligated funds, the number of contracts, the number of bilateral project agreements, etc.) But even though we were eventually able to explain in our Close-Out Plan all the details of RDO/SP's portfolio—including how difficult it would be to close our entire program quickly without appearing punitive—by then, it was too late, and politically untenable, to reverse the close-out decision or prolong the close-out date.

Consulting with the mission beforehand would have highlighted the difficulties of withdrawing assistance precipitously, and, we believe, would have resulted in a more realistic timetable to phase down and close out our program. It also would have allowed for mechanisms to be put in place to continue a modest level of assistance to the region. (Remember that RDO/SP's closure is considered "friendly" and the Administrator has committed to continue some level of assistance to the South Pacific through alternate channels (e.g., PVOs/NGOs, regional projects, other regional missions, etc.) after the mission closes.)

Washington should allow a closing mission to have its day in court: Although making the close-out decisions unilaterally was expedient, it denied the mission its day in court. In our case, the consensus is that, even if we disagreed with the decision, it would have been easier to cope with had we the opportunity to weigh in before the decision was made; at least no one could argue that we didn't try. In the end, the unilateral close-out decision provoked anger and cynicism within the mission and made the task of bringing the mission from the "denial" to the "acceptance" stage that much more difficult.

Mission management should keep open channels of communication with all mission staff, even if there's nothing to say: Close-outs are unpleasant and likely to bring out the worst in one's staff. In order to keep the rumor mill in check and speculation to a minimum, channels of communication must be kept open. There is a fine line between being circumspect and appearing secretive, and local and contract staff are likely to react negatively to secretive behavior such as closed-door, USDH-only staff meetings: morale will plummet from a

perceived "we/they" relationship, rumors will fly, work will not get done, and the entire program will flounder. Although there are certainly reasons for having restricted meetings, having them without any explanation or follow-up generally raises eyebrows, particularly when close-out rumors are rife. We found regular (weekly or semi-weekly) "all hands" meetings extremely useful--particularly as the details of the close-out became known--in maximizing transparency and ensuring that there was a medium through which concerns could be expressed. Remember, the process of delivering the message can be just as important as the message(s) being delivered.

B. Period Close-Out Plan is Being Developed

Understand the magnitude of the task, plan conservatively, and get help if needed

When developing the Close-Out Plan, missions should take stock of the range of actions needed to close-out, evaluate the resources available to carry out all the actions, and schedule accordingly: Although every mission closure is bound to have its own characteristics, they share a number of things in common, including:

- projects and non-projects must be brought to an orderly close and/or transferred to another mission's care (this includes grant agreements with governments and regional organizations, as well as arrangements for project-funded technical assistance, participants, and commodities);
- if appropriate, project officers and senior mission management must work with government counterparts and other donors to pick up elements of USAID's closing program to maintain continuity of assistance;
- project, non-project, and programmatic files must be properly disposed of;
- arrangements must be made, and executed, for the transfer of the financial management and financial record-keeping function;
- all contractor employment, including FSN-DH (if any) must be terminated;
- all USDH staff must be reassigned;
- all real property must be "disposed" of (i.e., leased property returned to the landlord; owned property sold or otherwise disposed of);
- all personal property must be disposed of through transfer to another USAID mission, inter-agency sale, sealed-bid sale, grant-in-aid, etc.; and
- all transactions related to the close-out must be properly documented and accounted for.

Although the above is just a partial list, one can see that the programmatic elements are only a small part of the overall close-out effort: the bulk of the work is on the administrative side. Keeping this in mind, one must evaluate the administrative resources available to carry out the close-out before drawing up a final plan. Do you have a large administrative staff that can manage multiple property sales on the same day? Do you have sufficient warehousing space

to have a consolidated sale? What are the motor vehicle needs? What resources are needed to pack out the HHE and UAB for USDH staff?

Taking the range of available resources into consideration, a realistic phase-down plan should be developed, working backwards from the desired closure target date and balancing programmatic requirements with administrative limitations. Make sure to allow for some slippage, recognizing that it might not be acceptable to have a close-out slip into the next fiscal year. In RDO/SP's case, we had targeted the middle of September as our planned close-out date. Ultimately, we were able to close one week ahead of that schedule.

Missions should reorient their program towards achievement of a modest number of "useful units of assistance." Washington should recognize that program resources may be required to achieve these useful units, and work with the missions to develop a realistic figure to work from: Once the decision is made to close, a fair assumption is that the programmatic objectives set forth in a mission's strategic plan have been overtaken by events. But closure notwithstanding, it is probably not desirable to terminate a mission's program outright, as this might result in "white elephants" which, in turn, might invite further criticism by USAID's detractors. How do we decide what to keep and what to drop? How do we evaluate this?

FAA Sec. 617 (and subsequent Agency interpretation) establishes the basic principle of "useful units of assistance"--the means by which we evaluate what stays and what goes. Although FAA Sec. 617 concerns only participant training, it importantly allows for training programs in progress to be completed, even if the USG is withdrawing assistance. The principle is thus established and applied to individual elements of a closing development program.

There is an important distinction, however. Useful units apply to program elements (i.e., parts of projects), and generally not to projects in their entirety. Examples of our useful units include:

- An established AIDS unit within the South Pacific Commission capable of providing AIDS prevention services to the region;
- Commercial non-chemical quarantine treatment facilities certified for use in Tonga and Fiji;
- An operational oyster-culture research facility for the Cook Islands; and
- A plan completed for improving land use/marine management to reduce lagoon pollution for Tarawa Lagoon, Kiribati.

Depending upon a mission's funding situation (mortgage, pipeline, individual project obligations/commitments, etc.) the mission may require additional funds to achieve the identified useful units of assistance. This information should be communicated to Washington immediately so a financing plan can be developed. There are appropriated funds specifically

set aside for mission close-outs, but these funds are limited. There may be other funding sources that can be tapped as well (e.g., PD&S funds).

Washington should ensure the mission has the OE and staff resources it needs to close-out properly: Closing down a mission requires skills often not present in a mission's staffing pattern: legal advisors, contracting officers, and, for smaller missions like ours, executive officers. Washington should ensure that sufficient funds are made available to missions to bring these people in; without them the close-out won't happen or risks not be done correctly.

C. Period Between the Time Closure is Announced and the Close-Out Plan is Approved

Transition from "denial" to "acceptance"

Missions should keep busy, focusing on actions that don't need final approval of the Close-Out plan to proceed: Keeping your staffs focused is difficult, but necessary if you are to close-out on schedule. Try to direct your staff to do tasks that will be required regardless of whether the Close-Out Plan is accepted as submitted or modified (e.g., culling of project files, culling of libraries, etc.). It may not seem like much, but as people see the physical manifestations of the close-out, acceptance of their fate eventually follows. Also, because you already know you will have to release everyone, work with your FSNs to develop their resumés and their interviewing skills. These are positive actions that show that despite the closure decision, it is not a decision meant to be taken personally. Ultimately, morale will improve.

Washington should keep the time between when the closure is announced and when the Close-Out Plan is approved to a minimum: Perhaps the most difficult parts of the close-out were the waiting and the uncertainty. Were we going to be allowed to continue this or that activity? Were we going to get much needed money to complete "useful units of assistance?" Was Washington going to be "reasonable" regarding our close-out because it was considered friendly? What types of activities would be allowed "post-closure," and what could we share with the governments?

While these questions were being raised, morale plummeted and cynicism went unchecked. Adding insult to injury, we were feeling increasingly squeezed: the clock was ticking on one end while on the other, the September 1994 closure date remained fixed. Four months passed between the time our closure was announced and our Close-Out Plan was approved (five weeks longer than promised). In our estimation, this is far too long, particularly for an agency being reorganized to be more efficient and effective.

If Washington decides to close a mission, it should respect the fact that the mission will need time to execute that decision. Mission closures do not occur on their own. They are team

efforts, requiring the commitment and cooperation of all team members. Washington is a key member of the team, and given the highly centralized nature of the close-out decision-making process, the timeliness of Washington's input, guidance, and decisions are even more important.

Washington should improve its close-out information sharing with affected missions:

Related to the above point, Washington should remember that information is only valuable if it is shared. This is particularly true for close-out information. In one instance, close-out missions learned the name of the Agency's close-out coordinator one month after Administrator Atwood signed the approval memo. In another, the close-out checklists (supposedly, the framework for Close-Out Plans) were provided one day before the Close-Out Plans were due in Washington. These are perhaps small matters, but we found it troubling that we were not clued into such information at an early stage.

Missions should recognize that the closure will have a tremendously negative impact on staff morale; they should be proactive and take preventive measures early: Being associated with a mission close-out is an extremely traumatic experience:

- Local and contract staff suddenly find themselves in the position where they will soon be out of work;
- Staff draw the conclusion that their mission is less important than others;
- The mere act of dismantling a mission's program is counter to the "average" USAID employee's inclination to build;
- There is an emotional bond many of us share with our staffs (not to mention our projects), which by necessity, must be broken; and
- There are feelings of guilt when the USDH staff realizes that everyone except the USDHs will soon be losing their jobs.

In order to deal with this situation, and to avert the high potential that the stress might manifest itself in self-destructive ways, we suggest that you take preventive measures early. In our case, we brought in the Regional Psychiatrist to counsel all staff (USDH, PSC, FSN/TCN, and institutional contractors) on the psychological impacts of closing. By the time we were able to schedule him to come, however, the close-out process was well underway (his visit was useful, nevertheless). We would suggest that his visit would have been more effective had he come right after the closure announcement. A follow-up visit could be scheduled later, if required.

Missions should make sure their FSN Compensation Plan contains adequate severance provisions: RDO/SP's close-out was, in some respects, made even more traumatic as there were no severance provisions in our FSN Compensation Plan when the mission's closure was announced. Through the excellent assistance from a TDY controller who "knew the ropes," we were able to put in place a generous severance package that would cover the USAID

employees being terminated as a result of the closure. This effectively turned the equation in management's favor: rather than having employees fear about the future when they were released, they instead could be assured of a safety net that would allow them sufficient time to get a good job after they were released from USAID. The lesson in this case would be to make sure some sort of severance package is in place under the post's FSN compensation plan to maximize management's flexibility.

Washington and missions should be proactive vis-à-vis the press and make sure the story is consistent between the senior levels of USAID and the field. If you do address the press, be careful! Even before the official closure was announced, rumors of RDO/SP's closure circulated within the diplomatic, donor, and NGO/PVO communities, as well as the local and international press. Because the entire process was kept under wraps, we had little to share publicly. In fact, while details eventually leaked that RDO/SP was "on the list" we were under an injunction to keep things quiet. As a result, we in the field appeared, at best, that we were hiding something; and, at worst, we appeared stupid. When the closure decision was finally announced, there was so little advance warning that the desk, External Affairs, and the field all appeared to be caught off guard. (An example of how this approach did not serve the Agency's best interests is the "announcement cable." The day before closure was announced, word finally came down for the desk to prepare a cable to RDO/SP formally announcing the closure. Because it was rushed (the drafter had less than one day to write the cable as the Administrator was going to formally announce the closure the next day, yet the decision had apparently been made weeks before), the cable contained ambiguous and internally inconsistent statements; it took weeks to sort these problems.)

Once the decision was final vis-à-vis our Close-Out Plan, we held a press conference which our USIS Public Affairs Officer helped set up. It wasn't an easy nor a pleasant task, but it was important to explain the reasons behind our closure. If you decide to take this route, make sure any press release and talking points are first cleared with XA and the desk, and make sure that the Washington hierarchy knows you're holding a press conference (e.g., XA, the desk, office director, DAA, AA, etc.). During the conference, try not to stray from the approved text/talking points. We found the "USAID Speakers Kit" a valuable tool to prepare for the press conference.

After you hold the press conference, do a reporting memo, e-mail, or fax to give Washington your impressions of how it went. This will at least give your side of the story in case you're misquoted, and give Washington a heads-up in the event damage control is required.

Missions should work with their embassies to prepare Diplomatic Notes to advise host governments of USAID's closure. Concurrently, develop a strategy to bridge the gap between the general Diplomatic Note and the more detailed Project Implementation Letters that will follow: Several "angles of attack" must be taken once the close-out decisions are final. The first one we employed was when the closure was first announced. In

most of our countries, the U.S. embassies sent out Dip Notes advising the countries we worked in that the USAID mission would be closing and that more detailed information would follow once the final Close-Out Plan was approved.

Later, in anticipation of final approval of our Close-Out Plan, we prepared ten Dip Notes, each tailored to how USAID's closure would specifically affect their country. (Remember to clear the texts with the USAID and State desks in Washington). Once the Close-Out Plan was approved, we faxed the approved drafts to the cognizant U.S. embassies for their action.

In tandem with this, we also worked out a strategy as to how to move from the more general Dip Note to the more specific PIL(s). This was generally handled through informal channels, i.e., working through our project counterparts advising them of the next step(s) in the close-out process. In some instances, this involved only a letter (or a more formal PIL) advising the country of the new management arrangements (i.e., the name and address of the new project officer in USAID/Philippines). In others, where funds were obligated outside of bilateral project agreements, a PIO/T was prepared to formally change the implementing agent's contract or Cooperative Agreement, and a covering PIL was sent to explain the changes. The point is, the Dip Notes will only address the close-out in general terms. Follow-up is required to make the project close-out happen.

D. Period Implementing the Close-Out Plan

"Just Do It"

Once the final close-out decisions have been made, missions should redirect their energies to implement the close-out: Perhaps the single-most important factor concerning why our close-out is considered "successful" was that, once the final decisions were made on our Plan, we put all our energies into implementing the decisions. We made our most forceful case to continue certain activities, and although we didn't win on every point, we could take comfort in knowing that we won more than we lost.

There comes a time, however, when you have to accept that no one's interests are served by continuing to contest the decisions. With rapidly dwindling staff, a "ticking clock" to close by the end of FY 94, and the realization that no one in Washington would be any more willing to go out on the limb to salvage our program (or elements thereof), we had to face up to the fact that it was in our best interests to close things down as quickly and efficiently as possible. This was an important step for everyone concerned with the close-out. As staff accepted their fate, they once again became productive members of the team.

Missions should be prepared to be flexible, but decisive, in implementing the close-out, and Washington should accept that close-outs are dynamic and be prepared to tolerate some degree of slippage and/or interpretation of the close-out decisions by the field:

Although our close-out went pretty much according to plan, there were times when we were required to exercise judgement in interpreting USAID/W close-out guidance. For instance, we discovered after-the-fact that there were a couple of internal inconsistencies within the Close-Out Plan itself, and between the Plan and the approval memorandum (e.g., agreed-upon dates differed by one or two months). Under these circumstances, it did not appear necessary, desirable, nor efficient to refer back to the AA/M for an interpretation. Thus, when such discrepancies arose, we did what made the most sense. We in no way violated the spirit nor the letter of the close-out plan, but we also did not burden Washington with questions of interpretation that it was not as well-placed as the field to address. USAID/W should recognize that RDO/SP's close-out was relatively easy, and that more complex programs are likely to have more complex problems. Consequently, there should be a general understanding between the M, PPC, and geographic bureaus that the field will exercise judgement when discrepancies occur.

Missions should schedule for legal advisor, contracting officer, and other technical officer skills early: Once the final decisions have been made, the next step is to make sure the decisions are reflected in Project Grant Agreement Amendments, Contract Amendments, and/or Cooperative Agreement Amendments. This usually means that the skills of a Project Development Officer must be tapped (or obtained, if not available in house), in addition to other technical and legal assistance, to prepare the necessary amendments. Scheduling this assistance as early in the process as possible is helpful as the details of the decision(s) are still fresh in peoples' minds. Also, you can expect that staff resources (USDH and FSN) will diminish over time, leaving fewer to do more jobs. Best to get the mundane details out of the way while you have the resources to do so.

Missions should work with FSN and other staff losing their jobs to improve their job-searching skills: Perhaps the most traumatic part of closing a mission is the fact that, with the exception of the USDH staff, all other mission employees will be losing their jobs. What can USAID do to make this transition go smoothly? We tried a number of things. First, not long after the closure was announced, we launched a "campaign" of sorts saying that it was management's intent that when the FSNs were terminated, they would either have a new job to go to, or would have the resumé and interviewing skills to find one. We then worked with every employee desiring this assistance to revise their resúmes (important note: don't rewrite the resúmes yourself, but have the employee do it; if you do it, the employee won't "own" it). Working from information obtained from the USAID/W HR offices in resumé writing and interviewing skills, we also conducted workshops on interviewing skills. Finally, we were able to obtain a videotape on interviewing skills, which we showed to the FSN staff.

As a result of these efforts, we were fairly successful in our campaign. As RDO/SP closes, about 80% have already found onward employment. The remainder are well-armed with the skills to find a good job in Suva's competitive job market (some have already had interviews and are awaiting final decisions).

Missions should "work the press" to stress the positive aspects of USAID's program: Even though the mission is closing, there are, nevertheless, positive things that can be touted, even in a close-out. During our close-out, we, working with USIS and the Embassy to maximize "photo opportunities" for USAID-funded activities, including the opening of a US-AEP traveling information center on environmental technologies, a handcrafts exposition, and the opening of a workshop to unveil a chemical-free quarantine treatment technology. The USG got good press during all these events and, as a result, demonstrated that the USG was not closing its program precipitously.

Missions should consider getting outside help for the final stages of the close-out: Close-outs are draining, emotionally and physically. Don't be afraid to bring in someone from the outside to handle the last-minute details. We brought in a TDY EXO to oversee the final administrative close-out and are glad we did. First, this EXO did not have the emotional attachment to the staff, and, therefore, could be more objective. Second, she was able to bring her EXO skills to bear to ensure that all documentation needed to properly close out were in place. Finally, she was "fresh": her presence reinvigorated our administrative staff who were weary from months of closing out.

Missions should remember to say "farewell" in a way that is culturally appropriate: In the Pacific, personal contact is important. Thus, we attempted to schedule travel to as many countries and regional organizations as possible to bid a personal farewell to the governments in RDO/SP's region. In addition to the technical ministries we have worked with under our projects, we usually met with someone in the Foreign Affairs offices and the Prime Minister's office (at times, the Prime Minister himself). In most instances, we were able to plan our travel to coincide with project-related meetings. In all, we were able to meet with government officials in all but two countries (Niue and Solomon Islands); these two countries were dropped because of budgetary limits and the fact that we only had a limited amount of assistance to these countries.

E. Other

Employees Shouldn't be Penalized, Nor Disadvantaged, Because of the Close-Out

USDH staff should not be penalized because of their association with a close-out, and promotion panels should be instructed to make sure this does not happen: One lingering--but we believe legitimate--concern among the USDH staff was that being associated with the close-out would put us at a disadvantage with respect to EERs and promotions. With the increased emphasis on demonstrating "development impact" during a rating period, there is little one can cite in a closing mission. The fact of the matter is, successfully closing a mission might well require other skills--e.g., diplomatic skills--which might be every bit as important as demonstrating development impact. It is, therefore, incumbent upon the supervisor and the employee to ensure that the range of demonstrated skills are highlighted.

Only time will tell whether those associated with close-outs will receive equal treatment and consideration for promotions and awards. As a preventive measure, promotion panels should be instructed to take a broader interpretation of "development impact," or recognize that otherwise uncalled-upon skills may be required to level the playing field when reviewing EERs from closing missions.

Don't forget that professional development is just as important to those in closing missions: Participation in courses, workshops, conferences, etc., enhances the skills a USAID mission needs to do its jobs better. Just because a mission might be closing does not change this fact, particularly for the USDH staff. Remember that staff energies are only temporarily diverted, so closing missions should not be overlooked when courses, workshops, or conferences are held.

Don't overlook the US-PSCs: Often overlooked, often maligned, but nevertheless an integral part of any mission is the US-PSC. There should be a way to recognize extraordinary contributions made by US-PSCs during a mission's close-out. During our close-out, a great deal of attention has been paid to the plight of the FSNs and the USDH. The FSNs get their severance package. The USDH get special treatment in the reassignment process. But the US-PSCs, unfortunately, are forgotten in the process. While USDH and FSN staff can avail themselves of a number of "job placement" services, US-PSCs are not allowed to even advertise their availability to other posts. Yet, we expect them to perform as if the close-out were normal. Some exceptions should be made to account for the extraordinary circumstances of a close-out.

RDO/SP had tried to obtain a deviation from the policy preventing US-PSCs from receiving anything other than their basic pay package (which would have allowed them to participate in the post awards program). However, this request was denied. As a consequence, a potentially powerful management tool--being able to recognize (with a cash award) extraordinary contributions made in the face of adversity--was not allowed to be employed. Close-outs are extraordinary circumstances, we believe the policy of not allowing US-PSCs to participate in post awards programs should be reviewed.

Attachments

- Attachment 1:** RDO/SP Staff and Departure Dates
- Attachment 2:** The Terms of reference for USAID Liaison Advisor; Memorandum of Understanding between USAID/RDO/SP and the U.S. Embassy/Suva; and Matrix of Functional Roles and Responsibilities

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Attachment 1
RDO/SP Staff and Departure Dates
(not including institutional contractors and grantees)

Name	Title/Function	Departure Date
Joanne Burke	OFDA Advisor	12/95 ¹
Clara Lobendahn	USAID Liaison Advisor/Program Assistant	9/95 ²
Andrew McGregor	Commercial Agricultural Development Advisor	7/95
Elisala Pita	Fisheries Advisor	6/95
David Leong³	Regional Mission Director (Acting)	9/94
Nancy Hoffman	Executive Officer (TDY)	9/94
Kathryn Hawley	Administrative Advisor	9/94
Nita Singh	Personnel Assistant	9/94
Gabriel Wendt	Storekeeper	9/94
Suresh Prasad	Maintenance	9/94
Gordon Chang	Chief Accountant	9/94
Debbie Stice	Executive Assistant	9/94
Ralph Singleton	Project Development Advisor	9/94
Sera Evans	Secretary	9/94
Valda Curtis	Administrative Assistant	8/94
Mariangela Pledl	Enterprise Development Advisor	8/94
Charles Crane	Controller/Executive Officer	8/94
Agnes Rigamoto	Communications & Records/Secretary	8/94
Joseph (Jay) Smith	Environmental Advisor	8/94
Tale Maimanuku	Systems Manager	8/94
David Calder	Health, Population, and Nutrition Officer	8/94

¹ In August 1994, this OFDA-funded position was relocated from RDO/SP to the Suva offices of the United Nations Office of Disaster and Humanitarian Assistance (UNDHA). The position will continue through December 1995 and will be supervised by the OFDA advisor located in USAID/Philippines.

² Moved to US Embassy Suva in August 1994; will continue until September 1995.

³ USDH employees shown in bold type.

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Miriama Tuinasau	Secretary	7/94
Liku Vavataga	Secretary	7/94
Antoinette Ferrara	Program Officer	7/94
Yasmin Hafi	Accounts Technician	7/94
Manoa Bale	HPN Advisor	7/94
Richard Howell	Marine Resources Advisor	7/94
Linda Petersen	Training Advisor	6/94
H. Paul Greenough	Assistant Director, RDO/SP/PNG	6/94
Taivei Kwan	Secretary	6/94
Manorama Singh	Secretary	5/94
Sharon Fee	Agricultural Development Officer	5/94
Krishna Swamy	Maintenance	5/94
Selita Tubukolo	Secretary/Receptionist	5/94
Angie Mulas	Administrative Assistant (PNG)	5/94
Mathew Lungu	General Services Assistant (PNG)	5/94
Eileen Mohan	Travel Assistant	5/94
Roshni Prasad	Accounts Technician	4/94
Elly Kema	Secretary (PNG)	4/94
John Roden	Driver	3/94
Dharmendra Kumar	Accounts Technician	3/94
Keisa Taulagi	Systems Manager	2/94
Karen Low	Management Assistant	2/94
Malti Chandra	Secretary	1/94
Maria Samuela	Secretary	12/93

Attachment 2
The Terms of Reference for USAID Liaison Advisor;
Memorandum of Understanding between USAID/RDO/SP and the U.S. Embassy/Suva; and
Matrix of Functional Roles and Responsibilities

**TERMS OF REFERENCE
USAID LIAISON ADVISOR**

I. BACKGROUND

Subsequent to the USAID Regional Development Office for the South Pacific (RDO/SP) being informed that its program was to be closed-out by the end of FY 94, the DAA/ANE/ASIA instructed USAID/Manila to assist and be the focal point for RDO/SP close-out actions. USAID/Manila was also instructed to take responsibility for residual program activities as personnel departed post. In January 1994, a four-person USAID/Manila team visited Suva to plan USAID/Manila's role in the close-out process. The team concluded that the two Third-Country National (TCN) project advisors proposed to bring ongoing project actions to an orderly close were necessary. The team also concluded that continuing oversight by Manila would be facilitated by retaining one senior FSN until close-out was complete. This decision was based on USAID/Manila's staff experience in managing USAID activities over great distances: retaining a small number of suitably qualified senior staff was a cost-effective way to manage a program physically separated from the "home office."

The proposal to continue two TCN project advisors and one senior FSN advisor to effect an orderly close-out was approved by AA/M Larry Byrne on March 23, 1994.

II. PURPOSE

The senior FSN advisor, hereafter referred to as the USAID Liaison Advisor (LA), will be responsible for providing required project implementation support, coordination, and follow-up for all USAID projects being implemented in the South Pacific region. The LA will be the primary link between South Pacific-based project advisors and USAID/Manila, and will regularly report (or coordinate reporting) to USAID/Manila to ensure proper oversight is exercised by the cognizant USAID/Manila project officer. In the conduct of her duties, the LA may also be required to facilitate communications between the South Pacific and USAID/W.

The USAID Liaison Advisor will be located in the U.S. Embassy, Suva, Fiji.

III. TERMS OF REFERENCE/POSITION DESCRIPTION

Although located within the U.S. Embassy in Suva, Fiji, the LA will be primarily responsible to the Chief of the USAID/Manila Project Development Office (i.e., fulfillment of workplan objectives). The U.S. Embassy Political Officer will have primary responsibility for exercising day-to-day support and supervision over the LA, and will also participate in workplan development.

The LA will be expected to carry out the duties and responsibilities listed below in addition to those prescribed in a quarterly workplan established between the LA and USAID/Manila.

1. General (50% of time):

- a. As the principal USAID advisor located full-time in the region, the LA will be the focal point for all USAID and USAID-related activities in the region. It is expected that the LA will, therefore, be required to exercise considerable judgement in the execution of her duties, particularly concerning whether requests for funding and/or assistance are of a "routine," "priority," or "immediate" nature, and whether they can be responded to directly or referred to U.S. Embassy/Suva or USAID/Manila. In all instances, the LA's judgement and/or drafting skills will be tapped to provide draft responses to inquiries.
- b. Responsible for responding to information requests regarding USAID's South Pacific program (working relationships will have to be developed with the U.S. Embassy Public Affairs Officer to determine operating procedures when USIS needs to be drawn into responses for information). Similarly, the LA will determine the nature of the request, whether she can/should provide this information, and respond accordingly. The parameters within which the LA will operate will be determined among the LA, USAID/Manila and the U.S. Embassy PAO.
- c. In coordination with the U.S. Embassy Political Officer, the LA will determine whether it would be appropriate to have USAID "representation" at official receptions, openings, seminars, etc., and if so, will represent USAID at these functions. To the degree subject matter is of general interest, the LA may be requested to draft reporting memos/cables on proceedings and/or discussions.
- d. Responsible for reporting to USAID/Manila and USAID/W items of regional interest concerning Women In Development (WID) activities.
- e. The LA will facilitate communications between the U.S.-Asia Environmental Partnership (US-AEP), located in USAID/W, and individuals and/or organizations within the region (e.g., the South Pacific Regional Environmental Programme, University of the South Pacific, etc.).
- f. The LA will facilitate communications between USAID/Manila and/or USAID/W and organizations within the region (e.g., the South Pacific Commission, Forum Secretariat, etc.).

2. Specific Project Support (50% of time):

- a. As the principal USAID advisor located full-time in the region, the LA will be the focal point for all USAID-funded project activities in the region. It is expected that the LA will be required to exercise considerable judgement in the execution of her duties, particularly concerning whether actions are of a "routine," "priority," or "immediate" nature, and whether they can be responded to directly or referred to U.S. Embassy/Suva or USAID/Manila. The LA's judgement and drafting skills will be tapped to provide draft responses to inquiries. Specific project activities the LA will be required to assist/track include:
 - Commercial Agricultural Development (CAD);
 - Pacific Islands Marine Resources Project (PIMAR);
 - Profitable Environmental Protection (PEP);
 - Regional Family Planning (RFP);
 - Regional AIDS Prevention (RAP); and
 - Papua New Guinea Child Survival Support Project (PNG-CSSP);
- b. In close coordination with the USAID/Manila project officer, provide necessary participant training backstopping for participants being trained under the above projects. This includes, but is not limited to, planning, managing, monitoring, and reporting to USAID/Manila (and USAID/W, if required)--in coordination with project advisors--participants and training providers (contractors).
- c. Provide administrative liaison and support to Suva-based project advisors for such matters as personnel, housing/leases, travel (requests, authorizations, advances, and vouchers) and other duties that may arise.

IV. WORKPLAN

Workplans will be developed and updated (among the LA, Chief of the Project Development Office (USAID/Manila), and the U.S. Embassy Political Officer) on a quarterly basis, beginning with the fourth quarter FY 1994. Progress reports will be provided to USAID/Manila, by fax or e-mail, on a bi-weekly basis.

V. U.S. Embassy/Suva Support:

The U.S. Embassy will provide the following support to the LA "free of charge" (or within FAAS):

- a. Office space and utilities (except directly-billable communications costs);
- b. Electronic mail hook-up (expected interface between AIDNET and DOSNET);

- c. Cable communications; and
- d. Pouch usage for official (unclassified) documents.

The U.S. Embassy will assist or facilitate the LA's access to the following services, which will be charged to the LA's contract:

- a. Directly-billable telephone/fax communications costs;
- b. Courier services; and
- c. Travel/per diem.



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
Regional Development Office/South Pacific

American Embassy
P.O. Box 218
Suva, Fiji

Telephone: (679) 313-600
Telefax: (679) 303-369

MEMORANDUM OF UNDERSTANDING

BETWEEN

AMERICAN EMBASSY/SUVA

AND

USAID/RDO/SP

1. This Memorandum of Understanding (MOU) between the American Embassy/Suva and the United States Agency for International Development Regional Development Office, South Pacific (USAID/RDO/SP) sets forth principles and guidelines for the provision of administrative support for the USAID-funded personnel who will be monitoring the residual program activities after the formal closure of the USAID office in Suva. This MOU is used in lieu of the more traditional FAAS agreement. In general terms, the American Embassy/Suva agrees to provide USAID, through September 1995, certain administrative functions; in turn, USAID agrees to transfer title to certain office equipment to the American Embassy/Suva.

2. The American Embassy/Suva will:

- a. Provide office space for one FSN employee (USAID Liaison Advisor) in the Chancery building;
- b. Provide personnel administration support such as filing time and attendance reports and personnel actions with RAMC/Bangkok for the FSN USAID Liaison Advisor and project advisors;
- c. Issue GTRs, based upon a signed Travel Authorization issued by USAID/Manila, for the remaining RDO/SP personnel;
- d. Provide cashier services, including cash travel advances, as required;
- e. Provide administrative supervision of remaining RDO/SP personnel; and

f. Provide computer support, including access to the DOSNET electronic mail system.

3. In exchange for the above services, RDO/SP will transfer title to all office equipment supplied to the Liaison Advisor located in the Chancery to the American Embassy/Suva on the date the USAID Liaison Advisor actually relocates to the Chancery. The equipment will include two office desks, two office chairs, file cabinets, one computer, one monitor, one laser printer, one CD-ROM for the computer, one typewriter and miscellaneous other expendable office supplies. USAID/RDO/SP will endeavor to provide approximately one year's stock of expendable office supplies to the USAID Liaison Advisor before the USAID/RDO/SP offices close.

4. The two parties agree that all the equipment turned over to Embassy Suva will remain for sole use of the USAID Liaison Advisor until such time as the position is no longer filled.

5. At this time, RDO/SP anticipates that three personnel will remain in Suva to handle the residual program - the USAID Liaison Advisor (expected departure of 9/30/95), the Fisheries Advisor (expected departure of 6/30/95) and the Commercial Agricultural Development Advisor (expected departure of 8/31/95).

6. American Embassy/Suva will treat the USAID Liaison Advisor as a State employee for purposes of determining FAAS allocations to itself and other services agencies.

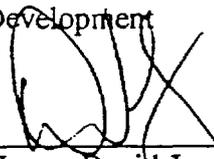
7. The Liaison Advisor will have use of the Embassy fax machine on a reimbursable basis for official business. American Embassy/Suva will bill the USAID Liaison Advisor, using the established Embassy billing procedure, for official fax charges.

8. The attached Illustrative List of Activities/Actions provides a summary of the projected tasks and related responsibilities for those tasks.

9. If required, this MOU may be amended in writing by the American Embassy/Suva and USAID. Following the closure of the USAID/RDO/SP offices in Suva, the Director, USAID/Philippines or his designee shall act on behalf of USAID.

For the American Embassy/Suva

For the United States Agency for International Development



Name: Lisa Vickers
Title: Acting Administrative Officer

Name: David Leong
Title: Acting Regional Director

Date: 8/4/94

8/4/94

55

Draft: CCrane, CONT: cjc
Clearance: AFerrara, PROG: (draft)
NHoffman, EXO (TDY): nlh

Attachment: Illustrative List of Activities/Actions

Illustrative Checklist of Activities/Actions

Activity	Action Required	Emb/Suva Role	USAID/ Manila Role	USAID/ Washington Role	Other
Correspondence - General					
• General Requests from Individuals	<ul style="list-style-type: none"> • LA receives/logs request; • determines nature of response; • drafts response (letter and/or fax); • LA or PolOff signs letter (depending on response) 	• Emb/Suva clearance required	• Manila to receive info copies only	• None	• None
• General Requests from Governments	<ul style="list-style-type: none"> • LA receives/logs request; • determines nature of response; • drafts response (letter and/or fax); • USAID/Manila signs letter (who in Manila depends on response) 	• Emb/Suva clearance required	• Manila clearance/ approval required	• None required, but info copy might be useful	• None
• Requests for Scholarships	<ul style="list-style-type: none"> • LA receives/logs request; • determines nature of response; • drafts response (letter and/or fax); • LA or PolOff signs letter (depending on response) 	• Emb/Suva clearance required	• Manila to receive info copies only	• None	• None
• Requests for Disaster/Emergency Assistance	<ul style="list-style-type: none"> • LA receives/logs request; • LA refers response to OFDA Advisor at UNDRO offices (Suva); • LA informs Manila re action taken [N.B.: If Disaster/Emergency involves non-USEmb/Suva country, OFDA Advisor should work with cognizant USEmbassy.] 	<ul style="list-style-type: none"> • Emb/Suva clearance required; • Emb/Suva assists w/ communications if not in Emb/Suva's jurisdiction 	• Manila approval generally not required, but should coordinate with Manila-based OFDA advisor	• Should coordinate with OFDA HQ in Washington	• Depends on nature of request/ disaster/ emergency

Activity	Action Required	Emb/Suva Role	USAID/ Manila Role	USAID/ Washington Role	Other
Correspondence - Project-Specific					
<ul style="list-style-type: none"> ● Requests for Project-Specific Information from Individuals 	<ul style="list-style-type: none"> ● LA receives/logs request; ● LA forwards response to PA; ● If desired, LA can assist PA prepare response (letter and/or fax); ● LA, PA, or PolOff signs letter (depending on response) <p>[N.B.: If nature of incoming request is of a policy nature, request should be forwarded to Manila for response; Manila will refer to Washington if required.]</p>	<ul style="list-style-type: none"> ● Emb/Suva clearance required; ● Emb/Suva assists w/ communications if not in Emb/Suva's jurisdiction 	<ul style="list-style-type: none"> ● Manila infoed on responses; ● however, if response concerns USAID policy, request gets forwarded to Manila for action 	<ul style="list-style-type: none"> ● Washington involvement required if response concerns USAID policy 	<ul style="list-style-type: none"> ● Cognizant AmEmb should be cc'ed if non-Emb/Suva country
<ul style="list-style-type: none"> ● Requests for Project-Specific Information from Governments 	<ul style="list-style-type: none"> ● LA receives/logs request; ● LA forwards response to PA; ● If desired, LA can assist PA prepare response (letter and/or fax); ● LA, PA, or PolOff signs letter (depending on response) <p>[N.B.: If nature of incoming request is of a policy nature, request should be forwarded to Manila for response; Manila will refer to Washington if required.]</p>	<ul style="list-style-type: none"> ● Emb/Suva clearance required; ● Emb/Suva assists w/ communications if not in Emb/Suva's jurisdiction 	<ul style="list-style-type: none"> ● Manila infoed on responses; ● however, if response concerns USAID policy, request gets forwarded to Manila for action 	<ul style="list-style-type: none"> ● Washington involvement required if response concerns USAID policy 	<ul style="list-style-type: none"> ● Cognizant AmEmb should be cc'ed if non-Emb/Suva country
<ul style="list-style-type: none"> ● Project-specific correspondence 	<ul style="list-style-type: none"> ● LA receives/logs correspondence; ● LA forwards to PA for appropriate action; ● If needed, PA should forward to Manila for action (LA may facilitate by pouch, DHL, e-mail, or fax) 	<ul style="list-style-type: none"> ● PolOff should be aware of action, however would not normally become involved if matter is of a routine nature 	<ul style="list-style-type: none"> ● Manila should be infoed on correspondence and assist if needed (should be worked out between PO and PA) 	<ul style="list-style-type: none"> ● None 	<ul style="list-style-type: none"> ● Cognizant AmEmb should be cc'ed if non-Emb/Suva country

Activity	Action Required	Emb/Suva Role	USAID/ Manila Role	USAID/ Washington Role	Other
Reports					
<ul style="list-style-type: none"> • Technical/Contractor Progress Reports 	<ul style="list-style-type: none"> • LA receives info copy; • LA makes sure PA has copy as well; • LA forwards info copy to PolOff; • LA verifies that Manila PO has copy 	<ul style="list-style-type: none"> • None other than receiving/ reviewing report 	<ul style="list-style-type: none"> • Manila should also receive copies of reports for info/action 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None
<ul style="list-style-type: none"> • Project Implementation Reports (PIRs) (N.B.: PIRs will be prepared by the project officer (USAID/Manila), with input from the PA and OFM) 	<ul style="list-style-type: none"> • LA receives info copy; • LA makes sure PA has copy as well; • LA forwards info copy to PolOff; • LA verifies that Manila PO has copy 	<ul style="list-style-type: none"> • None other than receiving/ reviewing report 	<ul style="list-style-type: none"> • PA drafts PIR and forwards to PO; • PO completes PIR with OFM input 	<ul style="list-style-type: none"> • Receives info copy per USAID/Manila procedures 	<ul style="list-style-type: none"> • PA may be requested to provide info to help complete PIR
<ul style="list-style-type: none"> • Financial Reports (Refers to reports on financial status only; bills/voucher should be handled as described below) 	<ul style="list-style-type: none"> • LA receives info copy; • LA makes sure PA has copy as well; • LA forwards info copy to PolOff; • LA verifies that Manila PO has copy 	<ul style="list-style-type: none"> • None other than receiving/ reviewing report 	<ul style="list-style-type: none"> • PA reviews report and verifies for accuracy; • PA forwards comments (if any) to PO 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None

Activity	Action Required	Emb/Suva Role	USAID/ Manila Role	USAID/ Washington Role	Other
Vouchers					
<ul style="list-style-type: none"> Contractor's Vouchers 	<ul style="list-style-type: none"> LA receives info copy; LA makes sure PA has copy as well; LA verifies that Manila PO has copy and that payment is being processed 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> PA reviews report and verifies for accuracy (signs administrative approval form); PO certifies report for accuracy and payment Forwards voucher to OFM for processing and MACS input 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> RFMC/ Bangkok issues check based on cabled request from Manila
Representation					
<ul style="list-style-type: none"> Attendance at Openings/Receptions 	<ul style="list-style-type: none"> LA receives invitation; determines if appropriate for USAID to be represented; clears attendance w/ PolOff; RSVPs/attends 	<ul style="list-style-type: none"> Emb/Suva clearance required 	<ul style="list-style-type: none"> Manila clearance not required 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
<ul style="list-style-type: none"> Attendance at Seminars (e.g., WID, etc.) 	<ul style="list-style-type: none"> LA receives invitation; determines if appropriate for USAID to be represented; clears attendance w/ PolOff; RSVPs/attends 	<ul style="list-style-type: none"> Emb/Suva clearance required 	<ul style="list-style-type: none"> Manila clearance not required, but attendance should be recorded w/ copy of memo sent to Manila (PDO) 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None

Activity	Action Required	Emb/Suva Role	USAID/ Manila Role	USAID/ Washington Role	Other
Administration					
<ul style="list-style-type: none"> • Time/Attendance Reports (Cables) 	<ul style="list-style-type: none"> • LA prepares timesheets; • PolOff approves; • Emb/Suva/Personnel prepares cable to RAMC/Bangkok for payment; • RAMC/Bangkok pouches checks to Emb/Suva (weekly) 	<ul style="list-style-type: none"> • Sends payroll cable to RAMC/ Bangkok 	<ul style="list-style-type: none"> • Receives form 1221 from RAMC/ Bangkok for MACS input 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • RAMC/ Bangkok sends form 1221 to Manila for MACS input
<ul style="list-style-type: none"> • Annual/Sick Leave Approvals 	<ul style="list-style-type: none"> • PSC submits form to LA; • LA verifies for accuracy; • LA forwards to PolOff for approval; • originals filed w/ timesheets 	<ul style="list-style-type: none"> • Form filed w/ T&A report 	<ul style="list-style-type: none"> • Manila-based project officers' approval required for extended leave 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None
<ul style="list-style-type: none"> • Travel Authorizations 	<ul style="list-style-type: none"> • Travel request from PA faxed to USAID/Manila with request for cabled approval and fund cites; • LA prepares Travel Authorization, which is signed by LA and Emb/Admin Officer • USAID/Manila will either fax TA or send cable TA 	<ul style="list-style-type: none"> • Emb/Suva receives approval cable; • Emb/Admin Officer approves TA 	<ul style="list-style-type: none"> • Project officers approve travel; • OFM provides fund cites; • OFM & project officer sends approval cable 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None
<ul style="list-style-type: none"> • Travel Reservations 	<ul style="list-style-type: none"> • Traveler makes own reservations w/ local travel agent; • LA assists in "shopping around" to get best prices/deals 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None

Activity	Action Required	Emb/Suva Role	USAID/ Manila Role	USAID/ Washington Role	Other
<ul style="list-style-type: none"> • Government Travel Requisitions (GTRs) 	<ul style="list-style-type: none"> • Emb/GSO issues GTR based on approved TA 	<ul style="list-style-type: none"> • Emb/ Admin Officer issues GTR; • LA sends copy of GTR and payment request to Manila 	<ul style="list-style-type: none"> • Manila OFM pays for ticket upon receipt of GTR and payment request 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Travel agent sends payment request (for GTR) to LA, who forwards to Manila
<ul style="list-style-type: none"> • Travel Advances (cash) - one week before travel 	<ul style="list-style-type: none"> • LA assists in calculating advance amount (80% of estimated per diem); Traveler submits request for advance (NTE \$500) along w/ copy of TA; • Emb/Admin Officer approves; • Emb cashier pays 	<ul style="list-style-type: none"> • LA sends info copy of approved advance request to Manila (OFM) 	<ul style="list-style-type: none"> • Receives and files forms 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None
<ul style="list-style-type: none"> • Travel Advances (check) - 3 weeks before travel 	<ul style="list-style-type: none"> • LA assists in calculating advance amount (80% of estimated per diem, less cash amount); • Traveler submits request for advance (check) along w/ copy of TA; • Copy of advance request faxed to Manila (OFM), with original form pouched; • Manila processes check request; RAMC/Bangkok issues check and sends to Emb/Suva 	<ul style="list-style-type: none"> • Emb/Admin Officer approves request for advance (check); • Emb Cashier receives/ provides check to traveler 	<ul style="list-style-type: none"> • Processes request for advance; • Requests check from RAMC/ Bangkok 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • RAMC/ Bangkok issues check when requested by Manila OFM

Activity	Action Required	Emb/Suva Role	USAID/ Manila Role	USAID/ Washington Role	Other
<ul style="list-style-type: none"> • Travel Voucher Processing 	<ul style="list-style-type: none"> • Traveler completes voucher (LA can assist; will have copy of software on computer); • LA sends voucher to Manila OFM for processing 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Receives, reviews, and processes travel voucher; • Pays amount due (i.e., requests check to be issued by RAMC/ Bangkok) 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • RAMC/ Bangkok issues check if requested by Manila OFM
<ul style="list-style-type: none"> • Miscellaneous Bill Payment - Under US\$250 	<ul style="list-style-type: none"> • See Petty Cash 	<ul style="list-style-type: none"> • See Petty Cash 	<ul style="list-style-type: none"> • See Petty Cash 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None
<ul style="list-style-type: none"> • Miscellaneous Bill Payment - Over US\$250 	<ul style="list-style-type: none"> • LA verifies that bill belongs to USAID, "approves," and pouches original invoice to Manila OFM; • Manila OFM processes 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Receives, reviews, and processes; • Requests check to be issued by RAMC/ Bangkok 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • RAMC/ Bangkok issues check when requested by Manila OFM

Activity	Action Required	Emb/Suva Role	USAID/ Manila Role	USAID/ Washington Role	Other
<ul style="list-style-type: none"> Petty Cash/Cashier Services 	<ul style="list-style-type: none"> For new purchases, Embassy GSO first approves requisition; LA then gets funds (or if small enough, makes purchase directly) from cashier, makes purchase, and returns receipt to cashier; For other small cost items (phone bills, DHL, etc.), LA receives bill and verifies that bill belongs to USAID, "approves" and gets cash/check from cashier, LA pays bill, and returns "paid" receipt to cashier 	<ul style="list-style-type: none"> Emb/Suva cashier processes petty cash voucher with RAMC/Bangkok; Gives copy to LA; LA sends info copy to Manila OFM 	<ul style="list-style-type: none"> Receives and processes petty cash voucher and form 1221 from RAMC/Bangkok 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Receives petty cash voucher from Emb/Suva cashier, replenishes petty cash fund and forwards form 1221 to Manila OFM
<ul style="list-style-type: none"> Expendable Property/Supplies Management (OE) 	<ul style="list-style-type: none"> LA will be provided "stock" of expendable supplies upon establishment of office and will manage supplies on own 	<ul style="list-style-type: none"> LA will obtain any additional EXP using above petty cash procedures 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
<ul style="list-style-type: none"> Non-Expendable Property Management (OE) - Desk, chair, file cabinets 	<ul style="list-style-type: none"> NXP will be deeded to Embassy before RDO/SP closes; Embassy to decide disposition once LA's contract completed 	<ul style="list-style-type: none"> Emb/GSO disposes of NXP once LA's contract completed 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
<ul style="list-style-type: none"> ADP Equipment/Software (OE) - Computer, monitor, printer, CD-ROM, CDs, diskettes 	<ul style="list-style-type: none"> ADP equipment will be deeded to Embassy before RDO/SP closes (awaiting approval from USAID/W) Embassy to decide disposition once LA's contract completed 	<ul style="list-style-type: none"> Embassy to decide disposition once LA's contact completed 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None

Key to terms/abbreviations used: LA = Liaison Advisor; PolOff = Emb/Suva Political Officer; PA = Project Advisor; Manila = USAID/Manila (Philippines); OFM = USAID/Manila Office of Financial Management; PDO = USAID/Manila Project Development Office; RAMC/Bangkok = Regional Accounting Management Center/Bangkok (Thailand)

To: Michael A. Rogal@M.MPI@AIDW, BARRY BURNETT@M.MPI@AIDW
Cc: Henderson Patrick@ANE.ORA.O@AIDW
Bc
Ft : Jay Nussbaum@ANE.ORA.O@AIDW
Subject: South Pacific Close Out Report
Date: Friday, September 23, 1994 12:09:00 EDT
Attach:
Certify: N
Forwarded by:

The ANE Bureau (desk) sent a copy of the South Pacific Close Out Report to Mr. Byrne this morning.

To: Larry Byrne@AID.A@AIDW, BARRY BURNETT@M.MPI@AIDW
Janet Allem@AID.A@AIDW

Cc
Bd

From: Linda Morse@ANE.AA@AIDW
Subject: South Pacific
Date: Wednesday, September 7, 1994 18:44:47 EDT
Attach:
Certify: N
Forwarded by:

As of 6 pm tonight (9/7) the keys to USAID South Pacific were turned over to the landlord and David Leong departed post. We will send you the full close out report when we get it, which I hope will be tomorrow.

Both ANE 94 closeouts are now complete.

Have you considered doing unit citations or some kind of "award" next year for all of the Missions which managed to meet the 94 deadline? Rather than these Missions competing with each other for recognition as would be the case if each Bureau submitted nominations (as I suspect will be the case), it would be very nice for M to acknowledge all of them.

To: Barry Burnett@FA.MCS@AIDW
Cc: Chuck Howell@ASIA.EA@AIDW
From: Julio Schlotthauer@POL.PAR@AIDW
Subject: re: RDO/SP Close-Out: Regional Impact Component
Date: Monday, May 16, 1994 13:56:46 EDT
Attach:
Certify: N
Forwarded by:

Barry. I also prefer not to reopen the SoPac decision process. And I don't find David's arguments compelling. I think he would be living dangerously to try to unilaterally extend the activity when Larry Byrne approved closing it out by 9/30/94.

Julio

To: Julio Schlotthauer@POL.PAR@AIDW
Cc: Michael A. Rogal@FA.MCS@AIDW
Caroline McGraw@FA.B@AIDW
E
From: Barry Burnett@FA.MCS@AIDW
Subject: RDO/SP Close-Out: Regional Impact Component
Date: Monday, May 16, 1994 9:55:16 EDT
Attach:
Certify: Y
Forwarded by:

Julio, Thanks for forwarding the E-Mail from David Leong. After reviewing the background on this question, it seems to me that arrangements could be made to secure information on new technologies and methodologies learned from the other PIMAR sub-projects and disseminate this information to appropriate institutions without extending the terminal date for the Regional Impact Component. This should be done by a locally-based institution, but could also be managed by the U.S. Embassy, Peace Corps or USAID/Manila. The "lessons learned" could be provided in the first instance by individuals connected with the various PIMAR sub-projects. This information would be assembled and disseminated by an appropriate local (or U.S.) institutions. I believe that David Leong and other RDO/SP staff could find an acceptable solution short of extending the RIC's completion date. I would prefer not to reopen discussions regarding decisions taken at the Close-Out Review meeting.

How would you like to proceed? Barry

To: Margaret Carpenter@ASIA.AA@AIDW
Linda Morse@ASIA.AA@AIDW
Cc: Judy Gilmore@ASIA.EA@AIDW, Lee Ann Ross@ASIA.EA@AIDW
Chuck Howell@ASIA.EA@AIDW, Calista Downey@ASIA.EA@AIDW
Jay Nussbaum@ASIA.PD@AIDW, Charlotte Suggs@ASIA.PD@AIDW
James Dempsey@ASIA.PD@AIDW, barry macdonald@ASIA.PD@AIDW
Donald Masters@PDIS@MANILA
Richard McLaughlin@PRM@MANILA
Bill Wanamaker@EXO@MANILA, John Grayzel@ONRAD@MANILA
Emmanuel Voulgaropoulos@OPHN@MANILA
Nancy Hoffman@FA.OMS@AIDW, Tim Riedler@DIR@JAKARTA
Gary Bisson@GC@AIDW
Bcc:
From: David Leong@RDO@SUVA
Subject: RDO/SP Close-Out
Date: Tuesday, June 21, 1994 21:19:47 EDT
Attach:
Certify: N
Forwarded by: James Dempsey@ASIA.PD@AIDW

Forwarded to: BARRY BURNETT@M.MPI@AIDW
cc:
Forwarded date: Wednesday, June 22, 1994 9:18:57 EDT
Comments by: James Dempsey@ASIA.PD@AIDW
Comments:

I haven't seen the cable on the close-out reporting requirements, but as you can see from this E-Mail, it may be coming too late for the South Pacific Mission. They are well down the close-out road. Please share this with the M Bureau staff to show that close-outs are happening. Jim

----- [Original Message] -----

Margaret, Linda, et al:

The RDO/SP Close-Out is proceeding on track. As we will be dropping off e-mail later this week, I wanted to give you a broad-brush overview of the status:

Obligations: 99% there... Out of the \$15,853,000 allowed to us, we have earmarked all but \$31,495 (obligated under ProAgs, and/or earmarked with PIO/Ts. We hope to have 100% earmarked by the end of June (we're working out one technical issue under the PIMAR project). Of the earmarked amount, about \$670,000 remains uncommitted. We have done all we can on this end: the actions contracting Officer's (or the TA contractors') court. We expect all funds to be earmarked, obligated, and committed within the next few weeks. Bottom line: we're in excellent shape.

Projects: Today, I amended all eight projects (via action memos) to conform to the approved close-out plan. Responsibility for six projects will transfer to USAID/Philippines on 7/1; files will be airfreighted on 7/1, and accounting records (payment records) will be handcarried to Manila by the USAID/Philippines Controller o/a 7/5. We will retain responsibility for, and close-out, the Market Access and Regional Competitiveness and Malaria Immunology and Vaccine Field Trials Projects.

Non-Projects: The ProAg with Forum Fisheries Agency (FTP II) was signed on 6/14 and the \$14 million was deposited on 6/15. Thanks to interventions on

the GC/ANE and ANE/ASIA/DR/PD side, the reporting issue appears to have been resolved. Files will be sent to the Econ Officer, AmEmbassy/Port Moresby (who will be taking over the treaty) next week.

Personnel: All USDH have received onward assignments (or the paperwork is well advanced). One has already left (Sharon Fee), two leave in July (Antoinette Ferrara and Paul Greenough (PNG)), two in August (David Calder and Charlie Crane), and I will close up shop in early September (EERs are being completed as part of the check-out process; as for mine, we need to mark our calendars for late August to make sure it doesn't slip through the cracks). We will have scheduled a USDH EXO from FA/OMS (Nancy Hoffman) in August to help with the final details. The FSN staff are drawing down quickly, and only a small core of admin staff will remain after July 1 to effect the physical close-out of the Mission.

Offices: We will be consolidating our Suva offices next week (closing our main office and moving up to the Admin/Warehouse space). The PNG office has been effectively closed (officially, at the end of the month).

Residential Space: Housing leases have been terminated upon departure of staff.

Property: Sales have been occurring on a regular basis, and everything appears to be on track. Once we move, we will direct most of our attentions to the physical close-out of the mission.

That's our close-out in a nutshell. I'm pleased with the progress. Morale is probably about as good as could be expected given the circumstances. Everyone has pitched in and done a remarkable job, actually, and we will be formally recognizing everyone's contribution at a dinner/awards ceremony this Friday up at our house (then we pack out on Monday!). I plan to take a trip through the region in late August to say "farewell" to the governments of the Cook Islands, Western Samoa, and Tonga; I've already done Vanuatu and the South Pacific Commission. Paul Greenough should have PNG taken care of, and the remaining countries don't have significant activities. So, we should be able to walk out of here with our heads high and with bilateral relationships intact. Although it's sad that we're closing, I'm thankful we're one of the first Missions to close. I can't imagine prolonging the agony.

Before I sign off, I wanted to thank those who have pitched in to help us do what we had to do. To the admin types, tech officers, PD types, contracting officers, legal advisors, financial management types, etc., etc.: we very much appreciate your help. Bula vinaka!

Dave

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
Bc .
Fi la: Barry Burnett@FA.MCS@AIDW
Subject:
Date: Friday, May 13, 1994 16:19:52 EDT
Attach:
Certify: N
Forwarded by:

Mike, I have reviewed the material you gave me on the Regional Impact Component (RIC) of the Pacific Islands Marine Resources Project (PIMAR). I am not sure I have the final approved version of the Close-out Plan, however. It seems to me that arrangements could be made to secure information on new technologies and methodologies learned from the other PIMAR sub-projects and disseminate this information to appropriate institutions. This could be done by an officer in the Embassy, a Peace Corps Volunteer, or an USAID officer in Manila. The required "lessons learned" could be provided in the first instance by individuals connected with the various PIMAR sub-projects. This information would be assembled by one of the USG units identified above and disseminated to appropriate institutions. I think we need to be somewhat innovative in approaching these matters. I am sure that David Leong could figure out an acceptable "second-best" solution if pressed. Barry

To: Linda Morse@ASIA.AA@AIDW
Julio Schlotthauer@POL.PAR@AIDW
Cc: Lee Ann Ross@ASIA.EA@AIDW, Chuck Howell@ASIA.EA@AIDW
Sharon Fee@ADO@SUVA, Antoinette Ferrara@PROGRAM@SUVA
Bcc:
From: David Leong@RDO@SUVA
Subject: RDO/SP Close-Out: Regional Impact Component
Date: Thursday, May 12, 1994 20:32:18 EDT
Attach:
Certify: N
Forwarded by: Julio Schlotthauer@POL.PAR@AIDW

Forwarded to: Jay Nussbaum@ASIA.PD@AIDW, Mike Rugh@POL.PAR@AIDW
Michael A. Rogal@FA.MCS@AIDW
cc:
Forwarded date: Friday, May 13, 1994 8:35:00 EDT
Comments by: Julio Schlotthauer@POL.PAR@AIDW
Comments:

fyi julio

----- [Original Message] -----

Linda, Julio:

Execution of the approved close-out plan continues apace, but we have run into a snag regarding the Regional Impact Component (RIC) under the Pacific Islands Marine Resources (PIMAR) Project.

(FYI: I raised this issue with the Desk last week via e-mail; the Desk and PPC conferred--unfortunately, not to my satisfaction--which is why I am now contacting you directly. Given State's involvement (see below), they should be made aware of this issue as well; Emb/Suva has expressed a concern that (State) PIA/EAP be informed.)

ISSUE: The South Pacific Commission has formally requested USAID to reconsider its decision re the PIMAR-RIC. The request is for additional funding and time. We have already advised the SPC that additional funding will not be forthcoming; however, we believe the request for additional time is reasonable and should be approved.

I believe the request is straightforward and can/should be handled at my (i.e., the Acting Regional Director) it appropriate to aphin approved delegations of authority; however, as it conflicts with the Close-Out Plan approval memorandum, I don't believe it appropriate to approve without first consulting USAID/W. Given the small amount of funding in question (which involves no new funding) and the lack of policy issues (all could be done within the already-approved PACD for PIMAR), I do not think this is a decision that needs to be bucked back up to the AA/M. I do, however, believe it should be given serious consideration.

Background: Our Close-Out Plan proposed additional funding for the PIMAR RIC (\$100,000 out of an additional planned \$380,000). Approximately \$100,000 was obligated at the end of FY 93, and the current PACD is 9/30/95, consistent with not felt to be sustainable, and because of the belief that "good news travels quickly"--something that is only partially true because of the tremendous expanse of the SP region--new

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funding for this component was dropped and the timeframe was shortened in the final, approved version of the Close-Out Plan. (The RIC was shortened to 9/30/94, although other components of PIMAR were allowed to continue well into FY 95.) In making this decision, USAID inadvertently decided on something that could not be implemented. As a result, I believe we are vulnerable--audit-wise and politically--if we try to implement this plan as presently approved.

We are vulnerable audit-wise because the RIC is to disseminate information on new technologies and methodologies learned from the other PIMAR sub-projects. Most of these won't even be completed until o/a 9/94 (the reports on the sub-projects, i.e., the material to disseminate, will likely take even longer to complete). As there will be little, if anything, to disseminate prior to the end of the FY we risk putting the SPC into an awkward position: they must spend the money before 9/30/94 (on what, I don't know), or lose the money. This is not prudent project management and insisting on the shortened date would, I believe, leave the Agency quite vulnerable audit-wise. As an aside, this is also probably not a posture the USG would want to have towards an organization we are also a member of.

We are also vulnerable politically. USAID's closure will no doubt be a hot topic at the upcoming CRGA (Committee of Representatives of Governments and Administrations) in Noumea, New Caledonia (May 23-27). Frankly, the governments in the region--as well as other donor nations--are perplexed by the decision to close RDO/SP. They have accepted it, but they are perplexed nonetheless. We have thus far been successful in keeping the issue from becoming inflamed, but we fear this won't be possible any longer when, not if, the RIC issue comes up and we give a negative response (or a non-response). It will appear that the USG is indecisive or being punitive over what is, in the grand scheme of things, a small time interval to spend a paltry amount. (One thing you may not be aware of is that the SPC submitted the RIC grant proposal at RDO/SP's encouragement only last summer.) This would be a difficult issue to handle one-on-one, but try to imagine tackling this at the CRGA, where representatives of 25 other governments are all seated around the conference table. The US delegation will obviously do what it has to do, but I'd hate to be the one to have to give the explanation (that would be Dr. Don Vinson, the official US Delegate, aided by the alternate, State's Ed Michal). Put another way, the potential for the USG in general--and USAID in particular--to receive a political drubbing is great; there are some issues worth taking a drubbing over. But this? I would think not.

Please understand that I am not asking you to make the decision; I am asking for a green (or even yellow) light to make the decision myself. I am willing to present the case directly to AA/M, if you believe this is necessary, but frankly, more than enough time and scarce staff resources have already been spent on this; we have enough on our plate without having to divert our attentions to issues such as this. I just want us to make the right decisions for the right reasons, and make sure we all keep things in proper perspective. This is the only real hiccup we've encountered thus far in executing our Close-Out Plan. Given that our Close-Out Plan was based on a series of educated estimates, I think it's a remarkable achievement. I don't think we are "nickel and diming" the decision. We just need the flexibility to implement it as best we can, even if time reveals our crystal ball was a little bit cloudy.

Thank you for your consideration. I look forward to hearing from you (N.B.: we should leave for Noumea May 18).

Regards,

Dave

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SOUTH PACIFIC PROGRAM CLOSE OUT PLAN - FY 1994 CLOSE

ANE Bureau recommends continuing the following Projects ^Cthrough various dates in FY 1995.

- Commercial Agricultural Development Project - High temperature forced air fruit fly treatment of export produce.
- Pacific Island Marine Resources - Complete and start-up the partially constructed pearl oyster research facility in Cook Islands.
- Profitable Environmental protection - Complete community environmental protection activities in Vanuatu.
- Child Survival Support Project - Keep Child Survival Project advisers in Papua New Guinea until its results are picked up in an Asian Development Bank (ADB) project.
- Regional family Planning - Finish assistance to make a regional population NGO self-sustaining.
- Regional AIDS Prevention - Finish South Pacific Commission assistance for community group AIDS education.

POINTS TO CONSIDER

- Although no obligations in FY 1995, Disbursements will be \$2+ million.
- Five Long-term Participants do not finish training until FY 1995 and four more continue until June 1996. (All left before close out began.)

Personnel (PSC) needs

- Two project funded U.S.PSCs and one FSN PSC currently OE funded but project funded in FY 1995 would be required to oversee project implementation during FY 1995. All PSCs can be fully funded in FY 1994. However, they would be U.S. Government contract employees and need Embassy and/or Regional support.

There is no Local Currency.

OPERATIONAL PLAN is included in submission and approval asked in Action Memorandum.

- BY 9/30/94 all USDH and FSNs will be gone; all office and residential leases will be terminated; all NXP will be sold, transferred, or otherwise disposed of.
- USAID/Manila will have responsibility for all residual activities; both program and administrative(financial).

RECOMMENDATION You need to determine if:

- a.) ANE proposal to continue six project activities for six-ten months after FY 1994 is acceptable.
- b.) Two U.S. and one FSN PSCs are acceptable
- c.) Operational Plan is acceptable.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

MAR 24 1994

MEMORANDUM

TO: See Distribution
FROM: *Carol McGraw*
M/FA/B, Caroline D. McGraw
SUBJECT: Approval of the South Pacific Close-out Plan

Attached is the signed approval memorandum on the USAID/South Pacific Policy/Program Close-out plan.

Attachment: a/s

Distribution:

Pat Ramsey, GC
Leonard Rogers, FHA/PPE
Frank Miller, ANE/NE/ENA
Eric Zallman, LAC/DR
Barry McDonald, ANE/ASIA/PD
Kent Hickman, M/FA/OMS
Graham Thompson, EUR/RME
Mike Rugh, POL/PAR
James Durnil, IG
Terry Brown, PPC
Jim Govan, AFR/DP
Garland Standrod, R&D/PO
John P. Grant, FHA/PPE

J.D. Murphy, M/PPE
R.C. Nygard, M/FA/B
F.A. Will, M/FA/OP
J. Hummon, M/HR/OP
M.G. Usnick, M/FM
T.E. Huggard, M/AS
B.D. Goldberg, M/IRM
M. Rogal, M/FA/MCS

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AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR/M, LARRY
BYRNE - AGENCY CLOSE-OUT COORDINATOR

FROM: ANE/ASIA Close-Out Coordinator, Barry MacDonald *B. MacDonald*

THROUGH: AA/ANE, Margaret Carpenter *MC*

SUBJECT: South Pacific Close-Out: Combined Program and
Operational Plan

Action: Your approval of the attached South Pacific Regional
Close-Out Plan for the regional mission (tab A) and central
activities (tab B).

Discussion: The Regional Development Office for the South
Pacific (RDO/SP) Plan for FY 1994 close-out, as modified by the
ANE Bureau Review of February 10, proposes:

- To close the RDO/SP offices in Suva, Fiji, and Port Moresby,
Papua New Guinea, by September 15, 1994; and to withdraw the
last USDH by September 30, 1994.
- To terminate entirely four of ten current projects and
programs by September 30, 1994; to curtail five projects to
end in FY 1995; and to end the last project on schedule in
FY 1995. Five participants finish in FY 1995, and four by
June 1996. Residual responsibility for project close-out
will be transferred to USAID/Manila July 1, 1994.

The ANE Bureau is providing \$1,031,000 FY 1994 DA to complete a
partially constructed research facility and fully fund
participants. RDO/SP asks \$822,000 additional FY 1994 DA to
complete useful units of assistance, which ANE will provide if
the plan is approved. \$1.1 million FY 1994 OE has been approved
for RDO/SP regular and close-out needs, but RDO/SP may need
\$275,000 more if severance pay and USDH transfer costs are at the
high end of estimates.

The ANE Bureau review agreed that the close-out is budget driven
and does not reflect poor performance by any South Pacific
country.

At the meeting, there was consensus that some projects should extend into FY 1995 to complete useful units of assistance in participant training, complete and start up the partially constructed pearl oyster research facility in Cook Islands, complete community environmental protection activities in Vanuatu, finish assistance to make a regional population NGO self-sustaining, finish South Pacific Commission assistance for community group AIDS education, and keep Child Survival Project advisers in Papua New Guinea until the activity is picked up in an ADB project.

PPC questioned the continuation of three useful units of assistance. After further review, it was decided to end a South Pacific Commission activity disseminating results of pilot fishery projects in FY 1994, since it was determined to be in a low priority sustainable development area. However, the PPC representative agreed that continuing assistance for high temperature forced air fruit fly treatment of export produce into FY 1995 to reach a commercially viable stage was justifiable given the short phase-out time available, and that the monitoring and accountability of a USDA PASA was manageable. The PPC representative also agreed that it was desirable to continue assistance to the Papua New Guinea Fisheries Industry Association into FY 1995 to spread project-developed tuna fishing techniques to local fishermen because of the high earnings potential in the Japanese market, as well as a desire to soften impact of abrupt close-out of other projects on Papua New Guinea.

The ANE review found the administrative close-out plan adequate to complete planned withdrawal. USAID/Manila residual responsibilities will require some FY 1995 travel, but this cost will be reduced by keeping two project-funded advisers to help Manila monitor technical close-out and one PD&S-funded FSN to administer participant training and coordinate other actions.

The Agency Review of the Close-Out Plan of March 14 considered on a case-by-case basis the centrally funded activities described in tab B. AA/M determined that three of the four BHR-sponsored PVO activities will close out by the end of FY 1995. It was determined that one activity, the Foundation of the Peoples of the South Pacific (FSP) Sustainable Forestry Matching Grant, will close out by the end of FY 96.

At the Agency review, it was also determined that the G activity for research on the relationship between vitamin A and malaria in Papua New Guinea will close out at the end of FY 1996 to allow time to complete research at the unique Institute for Medical Research facility. As requested, the G Bureau undertook further review of the social marketing activity in Papua New Guinea and determined that it will be completed by September 30, 1994, instead of December 31, 1994.

Recommendation: That you approve the attached South Pacific Close-Out Plan as modified by the above decisions.

Approved *[Signature]*

Disapproved _____

Date 3-13-94

attachments:

- a. RDO/SP close out plan
- b. close-out of centrally-funded projects

Clearances:

PPC:TBrown *[Signature]*
 M:CMcGraw *[Signature]*
 G:DGillespie 3/17/94
 BHR:JGrant NOT CLEARED - SEE ATTACHED NOTE
 GC:Pramsey *[Signature]*
 DAA/ANE/ASIA:LMorse *[Signature]*

ANE/ASIA/PD/EA:JRNussbaum:16 Mar 94:x77476:AM0316SP.CLO

Distribution:

RDO/SP: Suva, Port Moresby
 USAID/Manila
 RLA, Jakarta
 STATE/EAP/PIA:EMichal
 PPC:JSchlotthauer
 BHR/PVC:JGrant
 IG:JDurnil
 LPA/LEG:MReilly
 M/MCS:MRogal
 M/OMS:KHickman
 M/FA/B:MYearwood
 G/R&D/PO:TKellermann
 GC/ANE:KHansen
 ANE/ASIA/FPM:JSegerson
 ANE/ASIA/EA:LARoss
 ANE/ASIA/TR:KAJones

To: barry macdonald@ASIA.PD@AIDW
Cc:
Bcc:
From: John P. Grant@FHA.PPE@AIDW
Subject: BHR comments on South Pacific Action Memo
Date: Monday, March 21, 1994 13:17:02 EST
Attach:
Certify: N
Forwarded by:

BHR cannot clear the Action Memo on the South Pacific closeout because we believe that the Child Survival Grants to Foundation of the Peoples of the South Pacific and Project Concern International should be permitted to continue to term in FY 96 and not be terminated prematurely in FY 95. The reasons for our position were articulated in our inputs to the closeout plan. In summary:

- These central grants are fully funded through FY 96 and require no Mission management.
- Child Survival is a priority area for Congress and USAID. The FSP program also includes Vitamin A funds earmarked by Congress.
- These are successful programs providing valuable health services in underserved areas with serious health problems. To terminate them early could jeopardize the lives of mothers and children.

These are programs carried out in partnership with the PVOs, with a substantial commitment of their private resources. A FY 95 closeout does not give these PVOs adequate time to make arrangements for the continuation of these programs without USAID support.

In addition, and very importantly, it will be difficult to explain to a politically powerful PVO like FSP why USAID is continuing one centrally funded program but terminating another a year early, particularly when the program we are terminating is in a high priority area and includes a Congressional earmark.



AGENCY FOR
INTERNATIONAL
DEVELOPMENT

MAR 24 1994

MEMORANDUM

TO: See Distribution
FROM: M/FA/B, *Caroline D. McGraw*
SUBJECT: Approval of the South Pacific Close-out Plan

Attached is the signed approval memorandum on the USAID/South Pacific Policy/Program Close-out plan.

Attachment: a/s

Distribution:

Pat Ramsey, GC
Leonard Rogers, FHA/PPE
Frank Miller, ANE/NE/ENA
Eric Zallman, LAC/DR
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Kent Hickman, M/FA/OMS
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Garland Standrod, R&D/PO
John P. Grant, FHA/PPE

J.D. Murphy, M/PPE
R.C. Nygard, M/FA/B
F.A. Will, M/FA/OP
J. Hummon, M/HR/OP
M.G. Usnick, M/FM
T.E. Huggard, M/AS
B.D. Goldberg, M/IRM
M. Rogal, M/FA/MCS



AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR/M, LARRY
BYRNE - AGENCY CLOSE-OUT COORDINATOR

FROM: ANE/ASIA Close-Out Coordinator, Barry MacDonald *B. MacDonald*

THROUGH: AA/ANE, Margaret Carpenter *MC*

SUBJECT: South Pacific Close-Out: Combined Program and
Operational Plan

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activities (tab B).

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June 1996. Residual responsibility for project close-out
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partially constructed research facility and fully fund
participants. RDO/SP asks \$822,000 additional FY 1994 DA to
complete useful units of assistance, which ANE will provide if
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country.

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The Agency Review of the Close-Out Plan of March 14 considered on a case-by-case basis the centrally funded activities described in tab B. AA/M determined that three of the four BHR-sponsored PVO activities will close out by the end of FY 1995. It was determined that one activity, the Foundation of the Peoples of the South Pacific (FSP) Sustainable Forestry Matching Grant, will close out by the end of FY 96.

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92

Recommendation: That you approve the attached South Pacific Close-Out Plan as modified by the above decisions.

Approved _____



Disapproved _____

Date _____

3-15-94

attachments:

- a. RDO/SP close out plan
- b. close-out of centrally-funded projects

Clearances:

PPC:TBrown JB for
 M:CMcGraw 3-15-94
 G:DGillespie 3/17/94
 BHR:JGrant NOT CLEARED - SEE ATTACHED NOTE
 GC:PRamsey KH 3/17
 DAA/ANE/ASIA:LMorse 3/17

ANE/ASIA/PD/EA:JRNussbaum:16 Mar 94:x77476:AM0316SP.CLO

Distribution:

RDO/SP: Suva, Port Moresby
 USAID/Manila
 RLA, Jakarta
 STATE/EAP/PIA:EMichal
 PPC:JSchlotthauer
 BHR/PVC:JGrant
 IG:JDurnil
 LPA/LEG:MReilly
 M/MCS:MRogal
 M/OMS:KHickman
 M/FA/B:MYearwood
 G/R&D/PO:TKellermann
 GC/ANE:KHansen
 ANE/ASIA/FPM:JSegerson
 ANE/ASIA/EA:LARoss
 ANE/ASIA/TR:KAJones

93

To: barry macdonald@ASIA.PD@AIDW
Cc:
Bcc:
From: John P. Grant@FHA.PPE@AIDW
Subject: BHR comments on South Pacific Action Memo
Date: Monday, March 21, 1994 13:17:02 EST
Attach:
Certify: N
Forwarded by:

BHR cannot clear the Action Memo on the South Pacific closeout because we believe that the Child Survival Grants to Foundation of the Peoples of the South Pacific and Project Concern International should be permitted to continue to term in FY 96 and not be terminated prematurely in FY 95. The reasons for our position were articulated in our inputs to the closeout plan. In summary:

- These central grants are fully funded through FY 96 and require no Mission management.
- Child Survival is a priority area for Congress and USAID. The FSP program also includes Vitamin A funds earmarked by Congress.
- These are successful programs providing valuable health services in underserved areas with serious health problems. To terminate them early could jeopardize the lives of mothers and children.

These are programs carried out in partnership with the PVOs, with a substantial commitment of their private resources. A FY 95 closeout does not give these PVOs adequate time to make arrangements for the continuation of these programs without USAID support.

In addition, and very importantly, it will be difficult to explain to a politically powerful PVO like FSP why USAID is continuing one centrally funded program but terminating another a year early, particularly when the program we are terminating is in a high priority area and includes a Congressional earmark.

ATTACHMENT B

Centrally Funded Grants and Projects in the South Pacific

The Bureau for Humanitarian Response (BHR) has four active grants in the South Pacific region which are now set to continue beyond the end of FY 94. Three of these are child survival grants and one is a matching grant focused on environmental issues in Papua New Guinea. Attached is material from BHR concerning these grants.

There are two Global (G) Bureau projects with activities in the South Pacific which extend beyond FY 94: Opportunities for Micronutrient Interventions (936-5122) involving proposed research on the relationship between vitamin A deficiency and malaria, and SOMARC III focused on marketing of contraceptives in Papua New Guinea. Attached is material from G concerning these activities.

South Pacific/Papua New Guinea

BHR funds a Matching Grant to Counterpart Foundation of the Peoples of the South Pacific (FSP), and three Child Survival and vitamin A Grants to World Vision, Project Concern International and FSP. These grants continue until FYI 95 and 96. BHR is recommending continuation of these grants to term, in part because a FY 94 closeout would not give these organizations sufficient time either to plan for sustainability or to manage a responsible phase out.

Foundation of the Peoples of the South Pacific Matching Grant

FSP has a \$1.6 million Matching Grant for the period from FY 91 to FY 96 to carry out an NGO Consortium Building Project for Sustainable Forestry in Papua New Guinea, Solomon Islands, and Vanuatu. The purpose of the project is to strengthen local NGOs and local portable sawmill owners and manufacturers as effective agents for profitable, environmental protection; the project promotes sustainable utilization of the islands' forest resources by local businesses. BHR recommends continuation of this project to term for the following reasons:

The FSP project focusses on environmental protection and sustainable resource utilization which are priorities for the Agency and Congress.

The project has an important element to strengthen local NGOs and promote participation.

FSP has a regional office in Port Moresby and no Mission management will be required, PVC will continue to manage this program primarily one of institutional strengthening for FSP.

An FY 94 closeout would not give FSP sufficient time either to plan for sustainability or to manage responsible phase out.

The in-country portion of the grant will be fully funded in FY 94; no future year USAID funding will be required.

Project Concern Child Survival Grant

Project Concern International (PCI) has an \$859,000 grant to implement a Child Survival program in Morobe Province, Papua New Guinea for the period from FY 93 to FY 96. The program goal is to reduce infant, child, and maternal morbidity and mortality by improving the capacity of the provincial and district Department of Health to provide maternal health, child survival and family planning services, and by training village health workers. It

includes an HIV/AIDS prevention component. BHR recommends continuation because:

Child Survival is a priority area for Congress and USAID.

This is an expansion of a successful program in a region with poor health services and high infant mortality rates.

The grant has already been fully funded so no additional USAID funding is required.

No Mission management is required

An FYI 94 closeout would not give PCI the time required to make arrangements for either the continuation or responsible phase out of the program.

[AA/M determined that this activity would close out in FY 1995.]

Foundation of the Peoples of the South Pacific (FSP) Child Survival Grant

FSP has a \$715,000 grant of Child Survival and vitamin A funds for the period from FY 93 to FY 96 to implement programs on the island of Espiritu Santo in Vanuatu and six islands of the Gilbert group in Kiribati. The project targets some 47,000 children under six and women of child bearing age with improved services for immunization, diarrheal disease and malaria control, antenatal care, family planning, and prevention of vitamin A deficiency and malnutrition. BHR recommends continuation because:

Child Survival and vitamin A are priority areas for the Congress and USAID. Vitamin A was a Congressional earmark.

Kiribati and Vanuatu are new nation states with poor health services and serious health problems. FSP is an important contributor to improved health services in these small countries.

The program is fully funded and no further USAID funding is required.

No Mission management is required.

An FY 94 closeout does not give FSP sufficient time either to plan for sustainability or to achieve responsible phase out

[AA/M determined that this activity would close out in FY 1995.]

AM

World Vision Child Survival/ Vitamin A Grant

World Vision has a grant of \$510,735 of Child Survival and vitamin A funds for the period from FY 92 to FY 95 to implement a program in West Sepik (Sandaun) province in Papua New Guinea. The goal of the project is to reduce morbidity and mortality in children under five and their mothers through immunizations, oral rehydration, ARI, vitamin A, nutrition promotion, malaria control, community health volunteer training and income generation for women's and community groups. BHR recommends continuation for the following reasons.

Child survival and vitamin A are priorities for Congress and the Agency. Vitamin A is a Congressional earmark.

This is an isolated area with poor health services and serious health problems, and WVRD plays an important role in strengthening the local health system.

The project is fully funded and requires no future year USAID funding.

The project continues only one year beyond Mission closeout. It isn't possible for WVRD to plan responsibly for either continuation or closeout in FY 94.

CLOSE OUT PLAN DATA SHEET: SOUTH PACIFIC

1. Name of G/R&D Office: Nutrition

2. Name of Project: Opportunities for Micronutrient Interventions

3. Number of Project: 936-5122

4. Project Officer: Frances Davidson
Phone No: 875-4118

5. Name of Contractor/Grantee:

Contract _____
Grant X
PVO _____
NGO _____
Direct support to Government _____

7. Planned completion date of activity in country: 9/30/96

8. Brief discussion of why the activity should be continued beyond mission closeout date: This activity will look at the relationship between vitamin A deficiency and malaria. The findings of this study will have programmatic implications for Asia as well as other regions. PNG is unique in that all three strains of malaria as well as vitamin A deficiency exist.

9. Brief discussion of how activity will be managed after mission closeout date: Activity will be managed by Johns Hopkins University and the Institute of Medical Research, PNG.

CLOSE OUT PLAN DATA SHEET: SOUTH PACIFIC

1. Name of G/R&D Office: G/R&D/POP/FPSD

2. Name of Project: Contraceptive Social Marketing III

3. Number of Project: 936-3051

4. Project Officer: Thomas Morris
Phone No: (703) 875-4773

5. Name of Contractor/Grantee:

Contract: The Futures Group
Grant:
PVO:
NGO:
Direct support to Government:

7. Planned completion date of activity in country:

December 1994.

[G has since determined that this activity will close out as of September 30, 1994.]

8. Brief discussion of why the activity should be continued beyond mission closeout date:

The Papua New Guinea contraceptive social marketing program has been designed to achieve self-sufficiency through its established link with the private sector distributor, Morobe Pharmacies. The PNG social marketing program includes advertising, promotion, and distribution of one oral contraceptive and one condom brand. Through mid-year 1994, SOMARC will continue to support advertising and promotional activities for these products.

From now until December 1994, SOMARC will work toward the establishment of an efficient and sustainable social marketing program capable of developing and expanding service delivery without a continued dependence on donor resources.

All of this activity will be accomplished with FY 93 funds; no new FY 94 funds will be allocated to this project. As such, the activity will not continue past the mission closeout date.

9. Brief discussion of how activity will be managed after mission closeout date:

Not applicable, as activity will have terminated.

To: barry macdonald@ASIA.PD@AIDW
Cc:
Bcc:
From: John P. Grant@FHA.PPE@AIDW
Subject: BHR comments on South Pacific Action Memo
Date: Monday, March 21, 1994 13:17:02 EST
Attach:
Certify: N
Forwarded by:

BHR cannot clear the Action Memo on the South Pacific closeout because we believe that the Child Survival Grants to Foundation of the Peoples of the South Pacific and Project Concern International should be permitted to continue to term in FY 96 and not be terminated prematurely in FY 95. The reasons for our position were articulated in our inputs to the closeout plan. In summary:

-- These central grants are fully funded through FY 96 and require no Mission management.

--Child Survival is a priority area for Congress and USAID. The FSP program also includes Vitamin A funds earmarked by Congress.

--These are successful programs providing valuable health services in underserved areas with serious health problems. To terminate them early could jeopardize the lives of mothers and children.

These are programs carried out in partnership with the PVOs, with a substantial commitment of their private resources. A FY 95 closeout does not give these PVOs adequate time to make arrangements for the continuation of these programs without USAID support.

In addition, and very importantly, it will be difficult to explain to a politically powerful PVO like FSP why USAID is continuing one centrally funded program but terminating another a year early, particularly when the program we are terminating is in a high priority area and includes a Congressional earmark.

To: Caroline McGraw@FA.B@AIDW
Cc:
Bcc:
From: Michael A. Rogal@FA.MCS@AIDW
Subject: South Pacific Close Out
Date: Friday, March 11, 1994 15:15:04 EST
Attach: \FAMCSPUB\DOCS\CLOPRO.PNG
Certify: N
Forwarded by:

Carol: Briefing paper for Larry on Monday meeting to review and
approve
South Pacific Program and Operational Plan.

Michael

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Bcc: barry macdonald@ASIA.PD@AIDW
From: Michael A. Rogal@FA.MCS@AIDW
Subject: South Pacific Mission Program Close Out Plan
Date: Thursday, March 10, 1994 15:09:05 EST
Attach: AM0222SP.CLO
Certify: Y
Forwarded by:

The meeting to review the South Pacific Program Close Out Plan is scheduled for Monday, March 14 from 9:30 to 11:00 AM. ANE is having equipment problems and the final Memorandum is delayed. However, ANE states that except for Centrally funded projects the draft Memorandum (the attachment) will not change. Therefore, please review the attachment and advise me by Noon tomorrow, March 11 if you have any comments on the issues in the paper and if there are any other issues besides those in the memo that need to be addressed. I do need your reaction/ comments to prepare a paper for Larry to use in making his decisions on close out and continuation.

The final Action Memeroandum will be sent to you when available.

Michael

clomar.2s

To: Margaret Carpenter@ASIA.AA@AIDW
Linda Morse@ASIA.AA@AIDW, Joan Segerson@ASIA.FPM@AIDW
Lee Ann Ross@ASIA.EA@AIDW, Chuck Howell@ASIA.EA@AIDW
Jay Nussbaum@ASIA.PD@AIDW, Larry Byrne@AID.A@AIDW
Caroline McGraw@FA.B@AIDW
Michael A. Rogal@FA.MCS@AIDW
Terrence J. Brown@POL.D@AIDW, Edward Saiers@POL.D@AIDW
Julio Schlotthauer@POL.PAR@AIDW
Duff Gillespie@S+T.AA@AIDW
Garland Standrod@R+D.PO@AIDW
John P. Grant@FHA.PPE@AIDW
Leonard Rogers@FHA.PPE@AIDW, Kathleen Hansen@GC@AIDW
Pat Ramsey@GC@AIDW, James B. Durnil@IG@AIDW

Cc:
Bcc:
From: barry macdonald@ASIA.PD@AIDW
Subject: Southy Pacific Close-Out Plan
Date: Friday, March 11, 1994 12:38:59 EST
Attach: U:\ASIAPUB\DOCS\CLOSEMEM.SP

Certify: N
Forwarded by:

Attached is the completed action memo on the South Pacific close-out. My apologies for the delay. We have been plagued by computer problems; we were also trying to be as accurate as possible on centrally-funded actions. Please note that the South Pacific document covers both program and operational aspects of close-out since the clock is running very fast on this FY 94 plan. We need to consider both the program and operational sides in our review. As a reminder on time and place, in case my last message did not go through:

MEETING: South Pacific Close-Out Plan
DATE: Monday, March 14th
TIME: 9:30 - 11:00 am
PLACE: 2248 NS

To: Larry Byrne@AID.A@AIDW
Cc: Ann VanDusen@S+T.AA@AIDW, Duff Gillespie@S+T.AA@AIDW
Elizabeth Maguire@RD.POP@AIDW
Linda Morse@ASIA.AA@AIDW, Barry Macdonald@ASIA.PD@AIDW
John Bierke@R+D.PO@AIDW, David Erbe@R+D.PO@AIDW
Thomas Kellerman@R+D.PO@AIDW, John Coury@RD.POP@AIDW
Tom Morris@RD.POP@AIDW, Michael A. Rogal@FA.MCS@AIDW
Bcc:
From: Garland Standrod@R+D.PO@AIDW
Subject: PNG Closeout of SOMARC
Date: Monday, March 14, 1994 14:08:35 EST
Attach:
Certify: N
Forwarded by:

In response to your inquiries at the South Pacific closeout review this morning about the three month extension of SOMARC activities in PNG past the closeout date, the G/R&D Office of Population consulted with their contractor--The Futures Group.

The Futures group indicated that, indeed, negotiations have been taking place with the private sector distributor, Morobe Pharmacies, in PNG. Susan Howard, a regional SOMARC staff member from their office in Jakarta is on TDY to negotiate the subcontract.

Further, the Futures Group said that the subcontract could be finalized by the end of FY 1994, and thus an extension to the end of December 1994 would not be necessary. The trade-off for an earlier contract date will be that less advertising and promotional activities will be done before Morobe Pharmacies takes over the program.

Thus, we can reasonably expect that a subcontract will be let by the end of FY 1994 and that an extension of SOMARC activities in PNG until December will, thus, not be necessary.

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
Bcc:
From: MS@BANS00026@SERVERS
Subject: Confirmation of Receipt
Date: Monday, March 14, 1994 9:49:54 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

Richard Nygard@FA.B@aidw

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
Bcc:
From: MS@BASA14015@SERVERS
Subject: Confirmation of Receipt
Date: Friday, March 11, 1994 8:17:14 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

Thomas E. Huggard@FA.AS.OD@AIDW

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
Bcc:
From: MS@BASA14003@SERVERS
Subject: Confirmation of Receipt
Date: Thursday, March 10, 1994 18:17:43 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

Barry Goldberg@IRM.OD@AIDW

108

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
Bcc:
From: MS@BASA02006@SERVERS
Subject: Confirmation of Receipt
Date: Thursday, March 10, 1994 16:38:48 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

Michael Usnick@FM.CONT@AIDW

109

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
Bcc:
From: MS@BASA01003@SERVERS
Subject: Confirmation of Receipt
Date: Thursday, March 10, 1994 15:57:10 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

John Hummon@HR.WPRS@AIDW

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
Bcc:
From: MS@BASA14017@SERVERS
Subject: Confirmation of Receipt
Date: Thursday, March 10, 1994 15:52:16 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

Frederick Will@OP.OD@AIDW

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
Bcc:
From: MS@BANS00011@SERVERS
Subject: Confirmation of Receipt
Date: Thursday, March 10, 1994 15:50:49 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

barry macdonald@ASIA.PD@AIDW

1/2

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
From: MS@BASA14003@SERVERS
Subject: Confirmation of Receipt
Date: Thursday, March 10, 1994 15:43:32 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

Ann Dotherow@FA.OMS@AIDW

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
Bcc:
From: MS@BASA14015@SERVERS
Subject: Confirmation of Receipt
Date: Thursday, March 10, 1994 15:34:14 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

James Murphy@FA.PPE@AIDW

To: Michael A. Rogal@FA.MCS@AIDW
Cc:
From: MS@BANS00026@SERVERS
Subject: Confirmation of Receipt
Date: Thursday, March 10, 1994 15:30:40 EST
Attach:
Certify:
Forwarded by:

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Cc: Caroline McGraw@FA.B@AIDW
Subject: South Pacific Mission Program Close Out Plan

The above message has been received by:

Caroline McGraw@FA.B@aidw

115

SOUTH PACIFIC PROGRAM CLOSE OUT PLAN - FY 1994 CLOSE

ISSUE #1 ANE Bureau recommends continuing the following Projects and components through various dates in FY 1995. Up to one year after Mission FY 1994 closing .

- Commercial Agricultural Development Project
High temperature forced air fruit fly treatment of export produce
- Pacific island Marine resources
Complete and start up the partially constructed pearl oyster research facility in Cook Islands;
- Profitable Environmental protection
Complete community environmental protection activities in Vanuatu
- Child Survival Support Project
Keep Child Survival Project advisers in Papua New Guinea until its results are picked up in an ADB project
- Regional family Planning
Finish assistance to make a regional population NGO self-sustaining
- Regional AIDS Prevention
Finish South Pacific Commission assistance for community group AIDS education

CONCERNS

- Although no obligations in FY 1995, Disbursements will be \$2+ million.
- No Local Currency Issue
- Three Long-term Participant will extend into fy 1995 and one into FY 1996.

e U.S. and two FSN PSCs, project funded, would be required to oversee project implementation during FY 1996.

ISSUE #2 Personnel (PSC) needs for PEP continuation.

CONCERNS

- All PSCs can be fully funded in FY 1995. However, they would be U.S. Government contract employees and need Embassy and/or Regional support.

ISSUE #3 Central and Regional projects/activities are not fully addressed in the closeout plan. See Issue #5.c

ISSUE #4 OE Trust Funds. M/FA/B agrees. Proposed FY 1995 OE



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

SO. PAC

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR/M, LARRY
BYRNE - AGENCY CLOSE-OUT COORDINATOR

FROM: ANE/ASIA Close-Out Coordinator, Barry MacDonald *B. MacDonald*

THROUGH: AA/ANE, Margaret Carpenter *MC*

SUBJECT: South Pacific Close-Out: Combined Program and
Operational Plan

Action: Your approval of the attached South Pacific Regional
Close-Out Plan for the regional mission (tab A) and central
activities (tab B).

Discussion: The Regional Development Office for the South
Pacific (RDO/SP) Plan for FY 1994 close-out, as modified by the
ANE Bureau Review of February 10, proposes:

- To close the RDO/SP offices in Suva, Fiji, and Port Moresby,
Papua New Guinea, by September 15, 1994; and to withdraw the
last USDH by September 30, 1994.
- To terminate entirely four of ten current projects and
programs by September 30, 1994; to curtail five projects to
end in FY 1995; and to end the last project on schedule in
FY 1995. Five participants finish in FY 1995, and four by
June 1996. Residual responsibility for project close-out
will be transferred to USAID/Manila July 1, 1994.

The ANE Bureau is providing \$1,031,000 FY 1994 DA to complete a
partially constructed research facility and fully fund
participants. RDO/SP asks \$822,000 additional FY 1994 DA to
complete useful units of assistance, which ANE will provide if
the plan is approved. \$1.1 million FY 1994 OE has been approved
for RDO/SP regular and close-out needs, but RDO/SP may need
\$275,000 more if severance pay and USDH transfer costs are at the
high end of estimates.

The ANE Bureau review agreed that the close-out is budget driven
and does not reflect poor performance by any South Pacific
country.

At the meeting, there was consensus that some projects should extend into FY 1995 to complete useful units of assistance in participant training, complete and start up the partially constructed pearl oyster research facility in Cook Islands, complete community environmental protection activities in Vanuatu, finish assistance to make a regional population NGO self-sustaining, finish South Pacific Commission assistance for community group AIDS education, and keep Child Survival Project advisers in Papua New Guinea until the activity is picked up in an ADB project.

PPC questioned the continuation of three useful units of assistance. After further review, it was decided to end a South Pacific Commission activity disseminating results of pilot fishery projects in FY 1994, since it was determined to be in a low priority sustainable development area. However, the PPC representative agreed that continuing assistance for high temperature forced air fruit fly treatment of export produce into FY 1995 to reach a commercially viable stage was justifiable given the short phase-out time available, and that the monitoring and accountability of a USDA PASA was manageable. The PPC representative also agreed that it was desirable to continue assistance to the Papua New Guinea Fisheries Industry Association into FY 1995 to spread project-developed tuna fishing techniques to local fishermen because of the high earnings potential in the Japanese market, as well as a desire to soften impact of abrupt close-out of other projects on Papua New Guinea.

The ANE review found the administrative close-out plan adequate to complete planned withdrawal. USAID/Manila residual responsibilities will require some FY 1995 travel, but this cost will be reduced by keeping two project-funded advisers to help Manila monitor technical close-out and one PD&S-funded FSN to administer participant training and coordinate other actions.

The Agency Review of the Close-Out Plan of March 14 considered on a case-by-case basis the centrally funded activities described in tab B. AA/M determined that three of the four BHR-sponsored PVO activities will close out by the end of FY 1995. It was determined that one activity, the Foundation of the Peoples of the South Pacific (FSP) Sustainable Forestry Matching Grant, will close out by the end of FY 96.

At the Agency review, it was also determined that the G activity for research on the relationship between vitamin A and malaria in Papua New Guinea will close out at the end of FY 1996 to allow time to complete research at the unique Institute for Medical Research facility. As requested, the G Bureau undertook further review of the social marketing activity in Papua New Guinea and determined that it will be completed by September 30, 1994, instead of December 31, 1994.

Recommendation: That you approve the attached South Pacific Close-Out Plan as modified by the above decisions.

Approved _____



Disapproved _____

Date _____

2-23-94

attachments:

- a. RDO/SP close out plan
- b. close-out of centrally-funded projects

Clearances:

PPC:TBrown JB

M:CMcGraw Timothy 3-15-94

G:DGillespie 2/23 3/17/94

BHR:JGrant NOT CLEARED - SEE ATTACHED NOTE

GC:PRamsey Hansen 3/17

DAA/ANE/ASIA:LMorse 3/17

ANE/ASIA/PD/EA:JRNussbaum:16 Mar 94:x77476:AM0316SP.CLO

Distribution:

RDO/SP: Suva, Port Moresby

USAID/Manila

RLA, Jakarta

STATE/EAP/PIA:EMichal

PPC:JSchlotthauer

BHR/PVC:JGrant

IG:JDurnil

LPA/LEG:MReilly

M/MCS:MRogal

M/OMS:KHickman

M/FA/B:MYearwood

G/R&D/PO:TKellermann

GC/ANE:KHansen

ANE/ASIA/FPM:JSegerson

ANE/ASIA/EA:LARoss

ANE/ASIA/TR:KAJones

Larry - Environmental Programs are more acceptable

SO. PAC

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR/M, LARRY BYRNE - AGENCY CLOSE-OUT COORDINATOR

FROM: ANE/ASIA Close-Out Coordinator, Barry Macdonald

THROUGH: AA/ANE, Margaret Carpenter

SUBJECT: South Pacific Close-Out: Combined Program and Operational Plan

Action: Your approval of the attached South Pacific Regional Close-Out Plan.

Discussion: The Regional Development Office for the South Pacific (RDO/SP) Plan for FY 1994 close-out, as modified by the ANE Bureau Review of February 10, proposes:

- To close the RDO/SP offices in Suva, Fiji and Port Moresby, Papua New Guinea by September 15, 1994; and to withdraw the last USDH by September 30, 1994.
- To terminate entirely four of ten current projects and programs by September 30, 1994; to curtail five projects to end in FY 1995; and to end the last project on schedule in FY 1995. Five participants finish in FY 1995, and four by June 1996. Residual responsibility for project close-out will be transferred to USAID/Manila July 1, 1994.
- ANE Bureau is providing \$1,031,000 FY 1994 DA to complete a partially constructed research facility and fully fund participants. RDO/SP asks \$822,000 additional FY 1994 DA to complete useful units of assistance, which ANE will provide if the plan is approved. \$1.1 million FY 1994 OE has been approved for RDO/SP regular and close-out needs, but RDO/SP may need \$275,000 more if severance pay and USDH transfer costs are at the high end of estimates.

The ANE Bureau review agreed that the close-out is budget driven and not due to poor performance by any South Pacific country.

There was consensus that final project close-outs need to extend into FY 1995 to complete these useful units of assistance: participant training; complete and start up the partially constructed pearl oyster research facility in Cook Islands; complete community environmental protection activities in Vanuatu; finish assistance to make a regional population NGO self-sustaining; finish South Pacific Commission assistance for community group AIDS education; keep Child Survival Project advisers in Papua New Guinea until its results are picked up in an ADB project.

The continuation of three useful units of assistance was questioned by PPC. After further review of three questioned units with PPC, it was decided to end a South Pacific Commission activity disseminating results of pilot fishery projects in FY 1994 as not in a high priority sustainable development area. However, the PPC representative agreed that continued assistance for high temperature forced air fruit fly treatment of export produce into FY 1995 to reach a commercially viable stage was justifiable given the short phase-out time available and the monitoring and accountability of a USDA PASA was manageable. The PPC representative also agreed that it was desirable to continue assistance to the Papua New Guinea Fisheries Industry Association into FY 1995 to spread project-developed tuna fishing techniques to local fishermen because of the high earnings potential in the Japanese market as well as to soften impact of abrupt close-out of other projects on Papua New Guinea.

There are a number of centrally funded grants and projects active in the South Pacific which have terminal dates beyond the end of FY 94. Most of these are described in the text of the close-out plan. Additional material concerning these activities prepared by responsible Bureaus is attached to this memorandum.

The ANE review found the administrative close-out plan adequate to complete planned withdrawal. USAID/Manila residual responsibilities will require some FY 1995 travel, but this cost will be reduced by keeping two project-funded advisers to help Manila monitor technical close-out and one PD&S-funded FSN to administer participant training and coordinate other actions.

Recommendation: That you approve the attached South Pacific Close-Out Plan as modified by the above decisions.

Approved _____

Disapproved _____

Date _____

attachment: close out plan
 material on centrally-funded projects

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Clearances:

PPC:TBrown _____
M:CMcGraw _____
G:DGillespie _____
BHR:LRogers _____
GC:PRamsey _____
DAA/ANE/ASIA:LMorse _____

ANE/ASIA/PD/EA:JRNussbaum:2 Mar 94:x77476:CLOSEMEM.SP

Distribution:

RDO/SP: Suva, Port Moresby
USAID/Manila
RLA, Jakarta
STATE/EAP/PIA:EMichal
PPC:JSchlotthauer
BHR/PVC:JGrant
IG:JDurnil
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M/FA/B:MYearwood
G/R&D/PO:TKellermann
GC/ANE:KHansen
ANE/ASIA/FPM:JSegerson
ANE/ASIA/EA:LARoss
ANE/ASIA/TR:KAJones

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ATTACHMENT

Centrally Funded Grants and Projects in the South Pacific

The Bureau for Humanitarian Response (BHR) has four active grants in the South Pacific region which are now set to continue beyond the end of FY 94. Three of these are child survival grants and one is a matching grant focused on environmental issues in Papua New Guinea. Attached is material from BHR concerning these grants.

There are two Global (G) Bureau projects with activities in the South Pacific which extend beyond FY 94: Opportunities for Micronutrient Interventions (936-5122) involving proposed research on the relationship between vitamin A deficiency and malaria, and SOMARC III focused on marketing of contraceptives in Papua New Guinea. Attached is material from G concerning these activities.

July's current centrally-funded projects

Morgan says no longer than FY 95.

South Pacific/Papua New Guinea

BHR funds a Matching Grant to Counterpart Foundation of the Peoples of the South Pacific (FSP), and three Child Survival and vitamin A Grants to World Vision, Project Concern International and FSP. These grants continue until FYI 95 and 96. BHR is recommending continuation of these grants to term, in part because a FY 94 closeout would not give these organizations sufficient time either to plan for sustainability or to manage a responsible phase out.

Foundation of the Peoples of the South Pacific Matching Grant *PVO supports over half-funded*

FY 96 FSP has a ^{2.4} \$1.6 million Matching Grant for the period from FY 91 to FY 96 to carry out an NGO Consortium Building Project for Sustainable Forestry in Papua New Guinea, Solomon Islands, and Vanuatu. The purpose of the project is to strengthen local NGOs and local portable sawmill owners and manufacturers as effective agents for profitable, environmental protection; the project promotes sustainable utilization of the islands' forest resources by local businesses. BHR recommends continuation of this project to term for the following reasons:

The FSP project focusses on environmental protection and sustainable resource utilization which are priorities for the Agency and Congress.

The project has an important element to strengthen local NGOs and promote participation.

FSP has a regional office in Port Moresby and no Mission management will be required, PVC will continue to manage this program primarily one of institutional strengthening for FSP.

An FY 94 closeout would not give FSP sufficient time either to plan for sustainability or to manage responsible phase out.

The in-country portion of the grant will be fully funded in FY 94; no future year USAID funding will be required.

Project Concern Child Survival Grant

FY 95 Project Concern International (PCI) has an \$859,000 grant to implement a Child Survival program in Morobe Province, Papua New Guinea for the period from FY 93 to FY 96. The program goal is to reduce infant, child, and maternal morbidity and mortality by improving the capacity of the provincial and district Department of Health to provide maternal health, child survival and family planning services, and by training village health workers. It includes an HIV/AIDS prevention component. BHR recommends continuation because:

Child Survival is a priority area for Congress and USAID.

This is an expansion of a successful program in a region with poor health services and high infant mortality rates.

The grant has already been fully funded so no additional USAID funding is required.

No Mission management is required

An FYI 94 closeout would not give PCI the time required to make arrangements for either the continuation or responsible phase out of the program.

Foundation of the Peoples of the South Pacific (FSP) Child Survival Grant

FSP has a \$715,000 grant of Child Survival and vitamin A funds for the period from FY 93 to FY 96 to implement programs on the island of Espiritu Santo in Vanuatū and six islands of the Gilbert group in Kiribati. The project targets some 47,000 children under six and women of child bearing age with improved services for immunization, diarrheal disease and malaria control, antenatal care, family planning, and prevention of vitamin A deficiency and malnutrition. BHR recommends continuation because:

Child Survival and vitamin A are priority areas for the Congress and USAID. Vitamin A was a Congressional earmark.

Kiribati and Vanuatu are new nation states with poor health services and serious health problems. FSP is an important contributor to improved health services in these small countries.

The program is fully funded and no further USAID funding is required.

No Mission management is required.

An FY 94 closeout does not give FSP sufficient time either to plan for sustainability or to achieve responsible phase out

World Vision Child Survival/ Vitamin A Grant

World Vision has a grant of \$510,735 of Child Survival and vitamin A funds for the period from FY 92 to FY 95 to implement a program in West Sepik (Sandaun) province in Papua New Guinea. The goal of the project is to reduce morbidity and mortality in children under five and their mothers through immunizations, oral rehydration, ARI, vitamin A, nutrition promotion, malaria control, community health volunteer training and income generation for

women's and community groups. BHR recommends continuation for the following reasons.

Child survival and vitamin A are priorities for Congress and the Agency. Vitamin A is a Congressional earmark.

This is an isolated area with poor health services and serious health problems, and WVRD plays an important role in strengthening the local health system.

The project is fully funded and requires no future year USAID funding.

The project continues only one year beyond Mission closeout. It isn't possible for WVRD to plan responsibly for either continuation or closeout in FY 94.

*AID has no malaria vaccine
going on.*

This is to determine if Vit A therapy

CLOSE OUT PLAN DATA SHEET: SOUTH PACIFIC *is beneficial*

*Does not deal with vaccine
or vaccine research or development.*

1. Name of G/R&D Office: Nutrition

2. Name of Project: Opportunities for Micronutrient Interventions

3. Number of Project: 936-5122

4. Project Officer: Frances Davidson
Phone No: 875-4118

5. Name of Contractor/Grantee:

Contract _____
Grant X
PVO _____
NGO _____
Direct support to Government _____

7. Planned completion date of activity in country: 9/30/96

8. Brief discussion of why the activity should be continued beyond mission closeout date: This activity will look at the relationship between vitamin A deficiency and malaria. The findings of this study will have programmatic implications for Asia as well as other regions. PNG is unique in that all three strains of malaria as well as vitamin A deficiency exist.

9. Brief discussion of how activity will be managed after mission closeout date: Activity will be managed by Johns Hopkins University and the Institute of Medical Research, PNG.

U:\STPO PUB\DOCS\CLOSEOUT.PNG

*\$1.0 million of AWC money
.450 for the project
Started in F-1 93 Fully funded*

*Agency needs to know probability of success
to contract.*

CLOSE OUT PLAN DATA SHEET: SOUTH PACIFIC

1. Name of G/R&D Office: G/R&D/POP/FPSD

2. Name of Project: Contraceptive Social Marketing III
3. Number of Project: 936-3051
4. Project Officer: Thomas Morris
Phone No: (703) 875-4773

5. Name of Contractor/Grantee:
- Contract: The Futures Group
Grant:
PVO:
NGO:
Direct support to Government:

7. Planned completion date of activity in country:

December 1994.

8. Brief discussion of why the activity should be continued beyond mission closeout date:
- The Papua New Guinea contraceptive social marketing program has been designed to achieve self-sufficiency through its established link with the private sector distributor, Morobe Pharmacies. The PNG social marketing program includes advertising, promotion, and distribution of one oral contraceptive and one condom brand. Through mid-year 1994, SOMARC will continue to support advertising and promotional activities for these products.
- From now until December 1994, SOMARC will work toward the establishment of an efficient and sustainable social marketing program capable of developing and expanding service delivery without a continued dependence on donor resources.
- All of this activity will be accomplished with FY 93 funds; no new FY 94 funds will be allocated to this project. As such, the activity will not continue past the mission closeout date.

9. Brief discussion of how activity will be managed after mission closeout date:
- Not applicable, as activity will have terminated.

U:\STPOPOPUB\DOCS\FORMSOPO.GLS

To: Michael Usnick@FM.CONT, James Murphy@FA.PPE
Richard Nygard@FA.B@aidw, Barry Goldberg@IRM.OD
Ann Dotherow@FA.OMS, Frederick Will@OP.OD
Thomas E. Huggard@FA.AS.OD, John Hummon@HR.WPRS
Caroline McGraw@FA.B@AIDW

Cc:

Bcc:

From: Michael A. Rogal@FA.MCS@AIDW

Subject: South Pacific Mission Program Close Out Plan

Date: Thursday, March 10, 1994 15:09:05 EST

Attach: AM0222SP.CLO

Certify: N

Forwarded by:

The meeting to review the South Pacific Program Close Out Plan is scheduled for Monday, March 14 from 9:30 to 11:00 AM. ANE is having equipment problems and the final Memorandum is delayed. However, ANE states that except for Centrally funded projects the draft Memeroandum (the attachment will not change. Therefore, please review the attachment and advise me by Noon tomorrow, March 11 if you have any comments on the issues in the paper and if there are any other issues besides those in the memo that need to be addressed. I do need your reaction/ comments to prepare a paper for Larry to use in making his decisions on close out and continuation.

The final Action Memeroandum will be sent to you when available.

Michael

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DRAFT--U:\ASIAPUB\DOCS\AM0222SP.CLO
2 Mar 94

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR/M, LARRY
BYRNE - AGENCY CLOSE-OUT COORDINATOR

FROM: ANE/ASIA Close-Out Coordinator, Barry Macdonald

THROUGH: AA/ANE, Margaret Carpenter

SUBJECT: South Pacific Close-Out

Action: Your approval of the attached South Pacific Regional
Close-Out Plan.

Discussion: The Regional Development Office for the South
Pacific (RDO/SP) Plan for FY 1994 close-out, as modified by the
ANE Bureau Review of February 10, proposes:

- To close the RDO/SP offices in Suva, Fiji and Port Moresby,
Papua New Guinea by September 15, 1994; and to withdraw the
last USDH by September 30, 1994.
- To terminate entirely four of ten current projects and
programs by September 30, 1994; to curtail five projects to
end in FY 1995; and to end the last project on schedule in
FY 1995. Five participants finish in FY 1995, and four by
June 1996. Residual responsibility for project close-out
will be transferred to USAID/Manila July 1, 1994.
- ANE Bureau is providing \$1,031,000 FY 1994 DA to complete a
partially constructed research facility and fully fund
participants. RDO/SP asks \$822,000 additional FY 1994 DA to
complete useful units of assistance, which ANE will provide
if the plan is approved. \$1.1 million FY 1994 OE has been
approved for RDO/SP regular and close-out needs, but RDO/SP
may need \$275,000 more if severance pay and USDH transfer
costs are at the high end of estimates.

The ANE Bureau review agreed that the close-out is budget driven
and not due to poor performance by any South Pacific country.
The review reached consensus on most of the useful units, but PPC
questioned three.

There was consensus that final project close-outs need to extend into FY 1995 to complete these useful units of assistance:

- 1) ~~participant training~~ ²⁾ complete and start up the partially constructed pearl oyster research facility in Cook Islands; *PIMAN*
- 3) complete community environmental protection activities in Vanuatu; ⁴⁾ finish assistance to make a regional population self-sustaining; ⁵⁾ finish South Pacific Commission assistance for community group AIDS education; ⁶⁾ keep Child Survival Project advisers in Papua New Guinea until its results are picked up in an ADB project. *PEP RFP RFP CSSP*

After further review of three questioned units with PPC, ⁷⁾ it was decided to end a South Pacific Commission activity disseminating results of pilot fishery projects in FY 1994 as not in a high priority sustainable development area. However, the PPC representative agreed that continued assistance for high temperature forced air fruit fly treatment of export produce into FY 1995 to reach a commercially viable stage was justifiable given the short phase-out time available and the monitoring and accountability of a USDA PASA was manageable. The PPC representative also agreed that it was desirable to continue *PIMAN*

- 8) assistance to the Papua New Guinea Fisheries Industry Association into FY 1995 to spread project-developed tuna fishing techniques to local fishermen because of the high earnings potential in the Japanese market as well as to soften impact of abrupt close-out of other projects on Papua New Guinea. *CAD PIMAN*

The ANE review found the administrative close-out plan adequate to complete planned withdrawal. USAID/Manila residual responsibilities will require some FY 1995 travel, but this cost will be reduced by keeping two project-funded advisers to help Manila monitor technical close-out and one PD&S-funded FSN to administer participant training and coordinate other actions.

Recommendation: That you approve the attached South Pacific Close-Out Plan as modified by the above decisions.

Approved _____

Disapproved _____

Date _____

attachment: close out plan

Clearances:

PPC:TBrown _____
M:CMcGraw _____
G:DGillespie _____
BHR:LRogers _____
GC:Pramsey _____
DAA/ANE/ASIA:LMorse _____

ANE/ASIA/PD/EA:JRNussbaum:2 Mar 94:x77476:AM0222SP.CLO

Distribution:

RDO/SP: Suva, Port Moresby
USAID/Manila
RLA, Jakarta
STATE/EAP/PIA:EMichal
PPC:JSchlotthauer
BHR/PVC:JGrant
IG:JDurnil
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G/R&D/PO:TKellermann
GC/ANE:KHansen
ANE/ASIA/FPM:JSegerson
ANE/ASIA/EA:LARoss
ANE/ASIA/TR:KAJones

132

De-Ob some needs to be raised w/ Bure

6210

SUVA PNG of A 9/30/94 Leong
4/30/94
MBES 4/1/94
CONTROLLER 9/30/94
Transfer when he leaves
PROS MGMT 7/1/94

AGENDA FOR ANE BUREAU REVIEW
SOUTH PACIFIC REGIONAL CLOSE-OUT PLAN

February 10, 1994

1. Please present any issues not already included in the agenda. M/B issues have been included in Issues 1 and 3 below, and PPC's is Issue 2.
2. Acting South Pacific Regional Director David Leong will present the Close-Out Plan.
3. Consideration of issues.

ISSUES PAPER

Plan Summary:

Since the November, 1993 decision to close the South Pacific program, the Regional Development Office for the South Pacific (RDO/SP) has alerted the ten countries of the region to USAID's decision to close on budget and management grounds and prepared itself and contractors and grantees for the end of the program. RDO/SP offered ANE Bureau a preliminary close-out plan in early December.

In the past two months RDO/SP and ANE Bureau have refined the plan and sought the help of the Manila Mission for residual actions. With Manila's assumption of project close-out responsibilities about July 1, 1994, it will be possible to close the RDO/SP offices (Suva, Fiji and Port Moresby, Papua New Guinea) well before September 30, 1994 and to withdraw the last USDH personnel by that date.

The RDO/SP was managing 10 projects and programs with 23 "implementation units" (i.e., separate project components for individual countries or regional organizations) on January 1, 1994. The RDO/SP Plan provides that four projects/programs will be totally terminated or transferred by September 30, 1994. Only ten units of six projects will remain to be closed out by Manila. Except for four participants, all of these units will be closed out in FY 1995. The Plan describes the circumstances that require the proposed close-out schedule to complete useful units of assistance.

Congressional Interest.
No advance notice
June 93 - all but PNG activity

SOUTH PACIFIC PROGRAM CLOSE OUT PLAN - FY 1994 CLOSE

\$2.1 million in FY 94
should know within a month. on Security pay

ANE Bureau recommends continuing the following Projects ^Cthrough various dates in FY 1995.

- **Commercial Agricultural Development Project** - High temperature forced air fruit fly treatment of export produce.
- **Pacific Island Marine Resources** - Complete and start-up the partially constructed pearl oyster research facility in Cook Islands.
- **Profitable Environmental protection** - Complete community environmental protection activities in Vanuatu.
- **Child Survival Support Project** - Keep Child Survival Project advisers in Papua New Guinea until its results are picked up in an Asian Development Bank (ADB) project.
- **Regional family Planning** - Finish assistance to make a regional population NGO self-sustaining.
- **Regional AIDS Prevention** - Finish South Pacific Commission assistance for community group AIDS education.

POINTS TO CONSIDER

- Although no obligations in FY 1995, Disbursements will be \$2+ million.
- ✓ • Five Long-term Participants do not finish training until FY 1995 and four more continue until June 1996. (All left before close out began.)

Personnel (PSC) needs

- Two project funded U.S.PSCs and one FSN PSC currently OE funded but project funded in FY 1995 would be required to oversee project implementation during FY 1995. All PSCs can be fully funded in FY 1994. However, they would be U.S. Government contract employees and need Embassy and/or Regional support.

There is no Local Currency.

OPERATIONAL PLAN is included in submission and approval asked in Action Memorandum.

- BY 9/30/94 all USDH and FSNs will be gone; all office and residential leases will be terminated; all NXP will be sold, transferred, or otherwise disposed of.
- USAID/Manila will have responsibility for all residual activities; both program and administrative(financial).

RECOMMENDATION You need to determine if:

- a.) ANE proposal to continue six project activities for six-ten months after FY 1994 is acceptable.
- b.) Two U.S. and one FSN PSCs are acceptable
- c.) Operational Plan is acceptable.

NXP: NXP will be disposed of using existing disposal procedures (consistent with the close-out checklist and Handbook 23, Chapter 13); in some cases (e.g., residential and building leases), the Mission may propose to exchange certain NXP or building improvements for rent (e.g., air conditioners, LAN wiring networks, etc.).

EXP: EXP will be disposed of using existing disposal procedures (consistent with the close-out checklist and Handbook 23, Chapter 13).

J. TDY Assistance Required

Given the short timeframe for this closure, TDY assistance will be required to implement this Plan. Skills required for the close-out include those from the Program, Project Development, Legal, Contracting, Executive, Controller, and Technical backstops. Given the complexity of the close-out operation, the services of an experienced USAID Executive Officer (or a retired EXO) are felt to be essential during the final three months of the FY. This individual might also be required to stay beyond departure of the last USDH in order to ensure that all last administrative details are resolved before the "lights are turned off." The specific TDY requirements will be finalized once the Plan is approved.

K. Resources Required

\$1.904 million in FY 94 funds will be required to implement this Plan. This amount does not cover any project final evaluations, nor the cost of the FSN advisor position discussed above. It does, however, include the \$200,000 already allowed to RDO/SP to forestall contractor demobilization. Deobligations estimated at about \$1.0 million will be realized when project close-outs are completed in FY 95. In addition, RDO/SP estimates that \$1.47 million in FY 94 OE funds will be required to implement this Close-Out Plan. No OE resources will be required in FY 95 by RDO/SP, but a limited amount of OE may be required by USAID/Manila to oversee residual close-out actions.



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
Regional Development Office/South Pacific

American Embassy
P.O. Box 218
Suva, Fiji

Telephone: (679) 311-399
Telefax: (679) 300-075

S. P. R. O.

**ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR
FOR ASIA AND NEAR EAST**

Date: February 7, 1994
From: David Leong, Acting Regional Director, USAID/RDO/SP
Thru: Linda Morse, DAA/ANE/ASIA
Subject: South Pacific Close-Out

Action Requested: Your approval of the attached Close-Out Plan, and your redelegation of authority to the Acting Regional Director to authorize project amendments to carry out the Plan.

Background: The Mission was informed November 19, 1993 that the South Pacific program was among 21 programs to be closed-out worldwide, and that the Regional Development Office, South Pacific (RDO/SP) was to close by the end of FY 94. The Mission submitted a preliminary close-out proposal December 2; it was reviewed with DAA/ANE/ASIA, and approved with modifications, on December 9.

During the review of RDO/SP's initial proposal, the DAA/ANE/ASIA asked USAID/Manila to assist close-out and to be responsible for residual close-out actions as RDO/SP personnel depart post. A four-person USAID/Manila team visited Suva on TDY between the dates of January 19 to February 1 to plan USAID/Manila's role in the close-out process. USAID/Manila's comments on and terms of agreement with our Plan have been incorporated in the revised Close-Out Plan.

Discussion: The Plan calls for closing the Suva office by September 30, 1994, and the Port Moresby office during the third quarter of FY 94, with all USDH personnel withdrawn and all other employees off the RDO/SP rolls by then. It also terminates, shortens, or reduces in scope projects in RDO/SP's portfolio as quickly as possible.

RDO/SP now manages seven South Pacific Regional projects that benefit ten countries,¹ the component of a G/RD/H project that supports a facility in Papua New Guinea (PNG) for malaria vaccine trials, and the South Pacific Fisheries Treaty Program that involves U.S. obligations running through FY 2002 to 16 countries.²

By the end of FY 94 all activities under RDO/SP's **Market Access and Regional Competitiveness** and RD/H/MVDP's **Malaria Immunology and Vaccine Field Trials** projects will be ended. Responsibility for the Fisheries Treaty Program will also be transferred to the State Department in July 1994. As many discrete units of activity as possible under the remaining six projects will be ended in FY 94, although some will extend into FY 95 where necessary to complete useful units of assistance. Responsibility for overseeing, and closing out, all activities continuing into FY 95 will be transferred to USAID/Manila by July 1, 1994. USAID/Manila will be responsible for closing out those activities during FY 95.

The Mission seeks DA funds for two of these projects:

	(\$000)
● CAD (Commercial Agricultural Development)	601
● PIMAR (Pacific Island Marine Resources)	<u>1,303</u>
Total	<u>1,904</u>

This funding for components of these two projects is necessary to complete useful units of assistance in which there is already substantial investment by host governments, beneficiaries, or USAID. Useful units to be completed with FY 94 funding include:

- Participant training programs (CAD and PIMAR) already in progress--one CAD trainee's program ends June 1996; all others end in 1995. *Needs additional funding for P10/P2 to complete*
- Commercial non-chemical quarantine treatment facilities certified for use in Tonga and Fiji (CAD)--ends July 1995.
- Advisory services to small-scale producer groups in Fiji, Tonga, and Vanuatu to improve prospects of becoming self-sufficient (CAD)--ends June 1995.
- An operational oyster-culture research facility for the Cook Islands (PIMAR)--ends June 1995.
- A SPC fisheries technology dissemination activity (PIMAR)--ends June 1995;
- An operational indigenous fishing industry association in PNG (PIMAR)--ends March 1995.
- A Tarawa Lagoon management plan (Kiribati)--ends September 1994.

¹ The ten countries in RDO/SP's region are the Cook Islands, Fiji, Kiribati, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Western Samoa.

² In addition to the ten countries mentioned above, the others in the South Pacific Fisheries Treaty Program are Australia, the Federated States of Micronesia, Marshall Islands, Nauru, New Zealand, and Palau.

No additional funds are needed to close out the remaining projects. We will reduce the scope of the **PNG Child Survival Support Project (PNG-CSSP)** from four provinces to two to stretch remaining funds to keep our contractor's advisors in the field until mid-FY 95. This will allow elements of the project to be transferred to an Asian Development Bank-funded health project planned to start in early 1995.

The **Regional AIDS Prevention (RAP) Project** is fully funded and is being implemented through a grant to the South Pacific Commission (SPC) which will complete work with community organizations in AIDS-prevention activities in FY 95. The **Regional Family Planning (RFP) Project**, is being implemented through a cooperative agreement with Pathfinder International; the project supports a regional indigenous NGO to promote family planning policies and services throughout the South Pacific. The **Profitable Environmental Protection (PEP) Project** is being implemented under a Cooperative Agreement with the Foundation for the Peoples of the South Pacific (FSP) and is developing environmentally-friendly community livelihood activities in Vanuatu as part of the USG's commitment to the Global Environmental Facility (GEF). For each of these projects, the Mission expects to accelerate their work programs so USAID/Manila can close out the projects in FY 95.

As in prior years, RDO/SP expects to effect the FY 94 obligation for the FTP. Due to the extraordinary demands placed on RDO/SP during close-out, the budget allowance for this activity should be provided as soon as possible to allow for the required June 15, 1994 disbursement of funds. RDO/SP's FTP responsibilities will be turned over to the ANE Bureau by August 31, 1994 for transfer to the State Department, which will be responsible for managing the remaining eight years under this program.

We propose that elements of three projects--PEP, RFP, and RAP--be considered for post-close-out support under global assistance activities. They promote environmental, population, and AIDS-prevention objectives of priority concern to USAID in ways that draw on the participation of the peoples affected and are suited to implementation through PVOs or public international organizations which could be managed by USAID/W or a field Mission in the Asia-Pacific area.

Unfortunately, it is unlikely that the uncompleted work of spreading appropriate farming (CAD) and fisheries (PIMAR) technologies can be picked up on an extended basis as these projects require close Mission management.

To effect the close-out, we will negotiate shorter completion dates in Project Agreements with governments and beneficiaries in the first instance--and only invoke termination clauses as a last resort. This, and completing useful units, should maximize the developmental impact and return on USG and host country investments to date, and in so doing, minimize adverse effects on U.S. relationships in the South Pacific.

We propose to make most necessary changes in completion dates for activities by revising implementing contracts and grants and by negotiating changes in amplified project descriptions

in Project Agreements. If it is necessary to modify project authorizations, we will follow streamlined procedures to document these actions in action memoranda as outlined in Section I. D. of the attached Close-Out Plan. Given the circumstances of closure, such documentation is considered sufficient and Project Paper Supplements are not felt to be necessary. The concurrence of the Regional Legal Adviser (RLA) will be obtained prior to amending project authorizations.

Authorities: Per HB 5, you have authority to administer assistance programs in the Asia Near East geographic region. Per Delegation of Authority 652, Section 2, you have authority to authorize projects and project authorization amendments and to redelegate this authority to Mission Directors (including those serving in an "Acting" capacity) in the ANE Bureau. As this authority has not been redelegated to the South Pacific Regional Director, such redelegation is being requested at this time.

On July 1, 1994, the Acting Regional Director for the South Pacific Regional Program will relinquish, and the Director of USAID/Manila will assume, responsibility for residual close-out actions for the South Pacific Regional Program. ANE/ASIA/PD will prepare documentation to redelegate to the Director of USAID/Manila authority to carry out this responsibility.

Recommendations: That you:

1. Approve the attached Close-Out Plan for the South Pacific Regional program and the Regional Development Office, South Pacific.

Approve: _____
Margaret Carpenter, AA/ANE

Disapprove: _____

Date: _____

2. Delegate to the Acting Regional Director, South Pacific, authority to authorize project authorization amendments to carry out the Close-Out Plan for the South Pacific as approved by yourself and subject to the concurrence of the Regional Legal Adviser.

Approve: _____
Margaret Carpenter, AA/ANE

Disapprove: _____

Date: _____

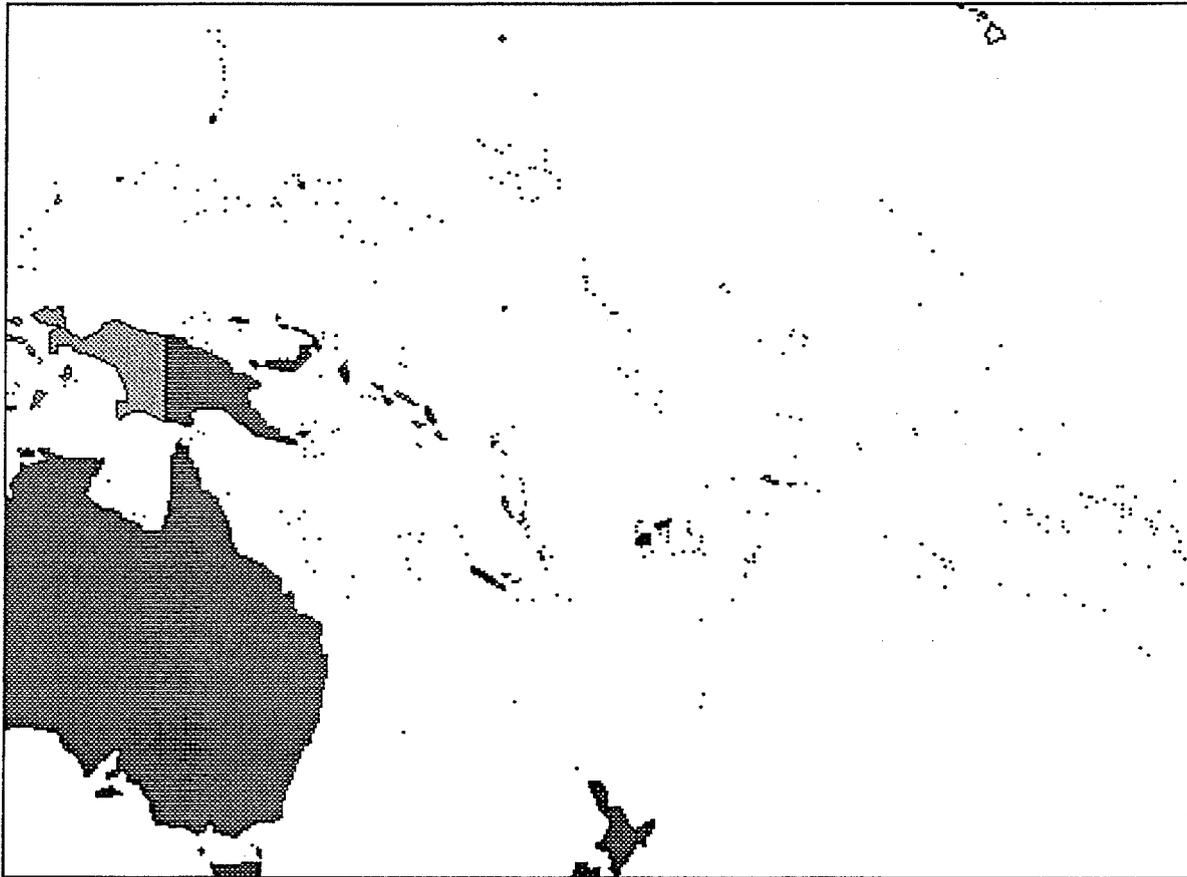
Attachment: RDO/SP Close-Out Plan

Concur: AA/M: _____

Clearances: PPC: _____
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ANE/ASIA/PD: _____



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
Regional Development Office/South Pacific



The South Pacific Region

USAID/RDO/SP
Close-Out Plan (Revised)
February 7, 1994

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I. Introduction

A. Overview

Pursuant to 93 State 379605, 93 State 380556, and subsequent guidance pertaining to close-outs of USAID Missions overseas, this Close-Out Plan ("Plan") sets forth a timetable for an orderly termination of bilateral and regional assistance provided by the United States Government to the Governments of the Cook Islands, Fiji, Kiribati, Niue, Papua New Guinea, the Solomon Islands, Tonga, Tuvalu, Vanuatu, and Western Samoa. The general terms of the Plan were initially proposed in 93 Suva 3306 dated December 2, 1993. That proposal was formally reviewed and provisionally approved (as modified) in the ANE Bureau review meeting chaired by DAA/ANE/ASIA Linda Morse on December 9, 1993.

The Plan meets these objectives:

- the requirement to withdraw all USDH staff and close RDO/SP's main (Suva) and branch (PNG) offices by 9/30/94;
- the desire to achieve, in instances where projects cannot be terminated before the end of FY 94, minimal "useful units" of assistance so as to avoid "white elephants" that would reflect poorly on the United States;
- the desire to maximize benefits from, and minimize wastage of, the \$31 million in USAID resources invested to date in the region (as well as those resources invested by our development partners), by focusing on USAID's priority areas of health, environment, democracy, and sustainable development; and
- the desire to minimize negative repercussions between the US and regional governments which could result from a precipitous termination of ongoing activities.

The Plan calls for the transfer of responsibility for one non-project activity to the State Department and the termination of two projects (six sub-activities) in FY 94. For the remaining projects, seven sub-activities will be accelerated and completed by the end of FY 94. Any activity continuing beyond FY 94, with the exception of participant training, has been reduced in scope and put on an accelerated implementation schedule to achieve minimal "useful units" of assistance as quickly as possible. Table I below summarizes the reductions in terms of implementation units. Responsibility for residual close-out actions will be transferred to USAID/Manila.

In order to carry out the Plan, RDO/SP will need \$1.904 million in FY 94 DA funds (see Table II) and \$1.47 million FY 94 OE. RDO/SP will also need assistance with an array of program, project development, administrative, contractual, financial, legal, and technical matters. Assistance will be sought from USAID/W, USAID/Manila, USAID/Jakarta, and other sources as available.

Table I: Schedule of Phase-Down of Implementation Units

Project Title	Number of Discrete		Implementation Units** , as of:		Comments
	1/94	9/94	3/95	9/95	
MARC	5	0	0	0	To be terminated early
Malaria Vaccine	1	0	0	0	To be terminated early
PNG/CSSP	1	1	0	0	ADB to pick up elements
PEP	2	2	2	0	GEF commitment
CAD	2	2	2	0	Environmentally friendly technologies
PIMAR	8	3	3	0	White elephant potential; grant to a Public Int'l Organization (PIO)
RAP	1	1	1	0	Grant to a PIO
RFP	1	1	1	0	Grant to Pathfinder working with an indigenous NGO
FTP I	1	0	0	0	Will turn over to State
FTP II	1	0	0	0	Will turn over to State
Total	23	10	9	0	

* Implementation units are defined as the sum of project activities in a given country (not including participant training), but not individually counting countries for projects designed to assist on regional basis (e.g., RAP and RFP).

B. Nature of the Close-Out Operation

On November 19, 1993, 93 State 350481 advised RDO/SP that it, along with 20 other posts worldwide, was to be closed. In RDO/SP's case, the program is to be terminated with all USDH employees withdrawn by the end of FY 94. The Mission understands that the decision to close RDO/SP was based on administrative and budgetary reasons. It does not appear to be the intent of the USG to punish--or sever ties with--the countries that RDO/SP serves.

Accordingly, the Mission has developed a Close-Out Plan that will phase-down, close-out, or transfer activities before the end of the fiscal year in a way that *maximizes developmental impact* for initiatives already begun and in sectors of long-term importance to USAID (e.g., health, environment, democracy, and sustainable development), *minimizes the negative repercussions between the US and governments in the South Pacific* a precipitous departure would engender, *leaves the best possible "last impression"* of USAID as it withdraws from the region, and *ensures all USDH are withdrawn by the end of FY 94*.

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Table II: Summary Mortgage and PACD Information

<i>Project Name/ Number (879-...)</i>	<i>Current Mortgage</i>	<i>Current PACD</i>	<i>Revised Mortgage</i>	<i>Revised PACD</i>
MARC (0018)	\$4,217,350	9/30/97	\$0	9/30/94
Malaria (RD/H)	395,000	3/31/95	0	9/30/94
PNG/CS (0017)	2,993,000	8/31/97	0	3/31/95
RAP (0022)	0	9/30/95	0	9/30/95*
RFP (0019)	1,499,721	3/31/97	0	9/30/95*
PEP (0023)	357,492	9/30/95	0	9/30/95**
PIMAR (0020)	4,123,553	9/30/95	1,303,000	6/30/95
CAD (0025)	2,910,320	12/31/96	601,000	6/30/96***
FTP II (0032)	see note****	see note****	see note****	see note****
TOTAL	<u>\$16,496,436</u>		<u>\$1,904,000</u>	

* Although RDO/SP will attempt to accelerate work schedules, the PACDs have not yet been shortened beyond the dates shown.
 ** Implementation of PEP could be accelerated, however, doing so could jeopardize the significant community development investment made to date. As this is a GEF activity and the likelihood that environmental activities will continue to be funded in the region, the Mission believes it best to keep PEP's PACD of 9/30/95.
 *** All project activities except one participant training program would be completed by 8/31/95.
 **** FTP II has annual PACDs (the date of disbursement of annual cash transfers). The \$126 million FTP II mortgage will be reduced to \$112 million and turned over to the State Department by the end of August 1994.

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C. Background

The United States--itself a Pacific nation--has had long-standing ties with the South Pacific region, most notably during World War II. As the historical ties are strong, there is a considerable well of goodwill towards, and expectations of, America. Thus, the announcement to close RDO/SP by the end of FY 94 came as a surprise to the region; although rumors of RDO/SP's closure had circulated several weeks prior to the formal announcement, most countries had no inkling that the closure would take place so soon. Diplomatic notes and other correspondence received in response to the USG's notification of RDO/SP's imminent closure ranged from general statements of concern to expressions of disappointment that USAID might not be able to fulfill its commitment to assist in areas that were seen as avenues to sustainable economic growth.

RDO/SP's portfolio consists of one non-project activity and eight projects, several of which were developed as a result of President Bush's October 27, 1990 address to Pacific Island leaders in Honolulu, Hawaii (the "Honolulu Summit") in which he emphasized the USG's renewed commitment to the South Pacific region. These and the other projects in the portfolio are being implemented consistent with RDO/SP's strategy update which was approved in November 1991. With the exception of two projects (Malaria Immunology and Vaccine Field

Trials and PNG Child Survival Support), all are regional in scope and four involve a variety of contractors, PVOs, and host country governments and are active in virtually all countries within RDO/SP's region. It should be noted, therefore, that closing down each project entails closing down separate project components in different countries which effectively constitute "stand-alone" activities complete with all the normal elements of a USAID project, including, in many cases, Project Agreements or Memoranda of Cooperation with host country governments, or Memoranda of Understanding with private groups or associations.

Most of the relatively new projects (begun since 1990) are "hitting their stride," that is, beginning to yield tangible development impact. Although a good number of project activities and sub-activities can be completed by the end of FY 94, a number need additional time or resources to achieve minimal "useful units" of assistance. By completing these useful units, the Mission hopes to maximize not only the USG's \$31 million investment in the region, but the investments made by the regional governments, private organizations, and individuals with which RDO/SP is working. This investment is neither insignificant nor easily dismissed, particularly in cases where our grass roots efforts have resulted in individuals and organizations undertaking risk or foregoing more lucrative short-term income streams as a condition of working with our projects.

Even with these useful units completed, USAID will be leaving unfulfilled development opportunities by cutting projects short of their authorized objectives. For instance, we will not spread environmentally sustainable use of rainforest resources from Vanuatu to PNG (PEP); nor spread community-based HIV-AIDS awareness campaigns to more high risk areas (RAP); nor increase availability of family planning services through government and non-government health services in the region (RFP). We propose that these objectives be pursued under present or new global or regional activities after the South Pacific program terminates. They can be carried out by experienced, competent PVOs or international organizations with minimal management by USAID/W or a field mission in the Asia-Pacific region.

We are also unlikely to complete the contribution other projects requiring close Mission management would have made to wider adoption of environmentally appropriate farming (CAD) and fishery (PIMAR) technologies for increasing incomes in the region. These projects have empowered small producer groups to reduce dependence on traditional economic activities, and they are recognized by the host governments and donor community as leading the way to sustainable growth.

D. Project Modifications and Delegations of Authority

The Mission proposes to make most necessary changes in completion dates for activities by revising implementing contracts and grants, by implementation letters, and by negotiating changes in amplified project descriptions in Project Agreements. Consistent with Handbook 3, Chapter 13 guidance, these changes will be made at the lowest level of documentation possible.

ANE Bureau Delegation of Authority 652 provides authorities for the South Pacific Regional Director (including those in an "Acting" capacity) to approve most of these actions, but does not include authority to amend project authorizations. To avoid referring to USAID/W for minor project amendments, RDO/SP requests a redelegation of this authority. The covering Action Memorandum to this Plan asks the AA/ANE to delegate to the Acting Regional Director authority to amend Project Authorizations as necessary to carry out this Close-Out Plan, subject to concurrence of the Regional Legal Adviser (RLA).

Regardless of whether it is necessary to modify project authorizations, RDO/SP will document all changes as a result of closure in action memoranda which will outline:

- Reasons for modification (usually, to carry out USAID close-out decisions for budget and management reasons);
- New/revised objectives (including useful units or project commitments to be completed) and prior objectives that will not be achieved;
- Revised illustrative implementation plans and transfer/close-out arrangements (including management responsibilities);
- Revised budget (including changes in host country or beneficiary contributions); and
- Any change in evaluation or audit arrangements.

Based on discussions with the Regional Legal Advisor in late January 1994, it does not appear that formal Project Paper Supplements will be needed.

E. Summary of Program Closure Actions--FY 94

Two ongoing projects will be terminated in their entirety in FY 94: the regional **Market Access and Regional Competitiveness Project (MARC, 879-0018)** and the **PNG Malaria Immunology and Vaccine Field Trials Project (936-6001.89)**. Additionally, the Fisheries Treaty Program will be transferred to the State Department before August 1994. One project initially targeted for closure in FY 94, the **PNG Child Survival Support (PNG-CSSP, 879-0017)**, is now proposed to be continued through March 31, 1995, as the Asian Development Bank (ADB) has indicated its desire to continue certain elements of PNG-CSSP under its Human Resources Development Project which will be designed in mid-1994 and operational in early 1995.

The remaining projects in the portfolio will also be modified in FY 94. First, where possible, project activities will be put on an accelerated implementation schedule so as many components as possible can be completed by the end of FY 94. Second, those ongoing activities will be restructured to achieve minimum useful units of assistance within a truncated timeframe. Project documentation (including Project Grant Agreements, Memoranda of Cooperation, and Memoranda of Understanding), contracts, and/or cooperative agreements will be amended as required.

Project oversight responsibilities (e.g., technical, administrative, and financial) will also be transferred in FY 94. In keeping with USAID/W's desire to shift as much oversight responsibility to USAID/Manila as possible, and consistent with conclusions and recommendations made by a four-person team from USAID/Manila,³ responsibility and authority for all project activities continuing into FY 95 will be transferred to USAID/Manila o/a July 1, 1994. Furthermore, financial record keeping for all RDO/SP projects, both those terminating in FY 1994 and those continuing into FY 1995, will be transferred to USAID/Manila o/a April 1, 1994. RDO/SP will continue to certify and administratively clear all payments through June 30, 1994, after which USAID/Manila will assume full financial responsibility for all RDO/SP projects. However, RDO/SP will continue to provide necessary administrative clearances for those projects terminating in FY 1994. USAID/Manila will manage the RDO/SP OE account once the RDO/SP Controller departs post.

This arrangement will allow for orderly transfer of the projects and time for unforeseen problems to be worked out prior to withdrawal of all USDH staff from Suva. To the degree necessary, G/RD or ANE Bureau technical expertise may be sought to advise USAID/Manila; this will be worked out between USAID/Manila and USAID/W. In order to ensure a smooth transition of the project portfolio to USAID/Manila and that the institutional memory on the projects is captured prior to transfer, RDO/SP will make every effort (subject to available staff resources) to complete first drafts of Project Assistance Completion Reports (PACRs) prior to transfer.

F. Summary of Program Closure Actions--FY 95

Transfer of technical and administrative oversight as well as financial management responsibility to other USAID offices by the end of FY 94 will mean that offices assuming responsibility for the projects will be responsible for overseeing project implementation to project completion, as well as for any residual close-out actions (e.g., review of final vouchers, completion of final PACRs, etc.). USAID/Manila expects to make one visit per quarter for oversight of all activities closing out in FY 95.

Manila oversight on a continuing basis will be facilitated by retaining two project advisors and one senior FSN support advisor until close-outs are complete. Arrangements can be made with the U.S. Embassy in Suva for USAID/Manila to mail payment checks and for supervision in the absence of any USAID/Manila presence in country.

Based on some experience in other long-distance management cases, USAID/Manila believes keeping the FSN advisor for coordination and follow up capability will be extremely cost effective in managing the residual RDO/SP program. During USAID/Manila quarterly visits

³ The four-person team comprised the Program Officer, Executive Officer, Contracting Officer, and Acting Controller. The team visited Suva on TDY during the period January 19-February 1, 1994.

specific work objectives would be determined for actions over the next quarter. In order to minimize OE costs in FY 95, funding for this position could come from FY 94 PD&S funds. The USAID Manila Team feels that with the FSN coordinating position and the two project funded long-term advisors adequate implementation monitoring will be possible at minimal cost to USAID/Manila.

G. Evaluations

Several project evaluations were scheduled to take place in FY 94 and FY 95. Given the current circumstances, the question has been raised whether they should be conducted at all. In some instances, mid-term evaluations have recently been completed and thus, final evaluations may not be required given the shortened life-of-project; in others, evaluations may have been scheduled, but were postponed/canceled upon notification of the closure of RDO/SP. It should be noted that if evaluations are to take place, additional financial resources will be required beyond what is requested herein. In the case of those projects closing this FY, it will not be feasible--given the short timeframe--for RDO/SP to arrange for evaluations to be conducted prior to closure of the office in September.

Where feasible and appropriate, the Mission proposes to conduct internal reviews of project implementation prior to officially transferring the projects to their new "homes." The reasons for this are two-fold: 1) it will allow for maximizing the institutional memory of the project; and 2) it will assist the office taking over the project by serving as the basis for the Project Assistance Completion Report.

H. Remaining Activities/Assistance Following Post-Closure:

By the end of FY 95, the Mission envisions that all activities in the current portfolio--with the exception of two participants--will be terminated, continued under the auspices of another USAID Mission or USG agency (for those activities of worldwide significance), or continued by other donor organizations. The USG will continue support to other regional organizations (e.g., the South Pacific Commission, the South Pacific Regional Environmental Programme, etc.), as confirmed in State 379568, primarily in the form of contributions to their "core" or administrative budgets as it is currently doing. Fisheries Treaty obligations will continue to be met through payments made by the State Department.

I. Administrative Close-Out

Administrative close-out will be effected consistent with the close-out checklist prepared by USAID/W.⁴

⁴ The close-out checklist was provided to the Mission on January 14, 1994; because of other competing demands resulting from the TDY of the team from USAID/Manila, the Mission has not been able to conform this Plan with the close-out checklist.

All USDH will be withdrawn from Suva and PNG by the end of FY 94. USPSC (State-side and local hire) positions will be made redundant as soon feasible, as will FSNPSC positions. One FSN advisor position and two technical project advisory positions are proposed to be continued for up to one year beyond RDO/SP closure. These positions are critical to provide adequate supervisory and technical support to the limited number of activities continuing into FY 95 to achieve minimal useful units of assistance.

Staffing levels will decrease, as shown in Table III below:

Table III: Planned Number of USAID Staff (including PNG), By Date

Employee Category	As of 1/94	As of end 9/94	As of end 9/95
USDH	6	0	0
USPSC	7	0	0
TCN-PSC	2	2	0
FSN-PSC	26	1	0
Total	41	3	0

Office leases: RDO/SP has two office leases in Suva: one for the Main USAID office building, the other for the Administrative and Health Offices. Given the continued need for warehousing space and the more extensive requirements to restore the main office building to its original condition (e.g., to remove the security equipment, LAN wiring network, etc.), the Mission anticipates that the offices will be consolidated at the Administrative and Health Office building once staffing levels permit. The current estimated date of consolidation is mid-July 1994.

In PNG, RDO/SP/PNG's offices are located in a leased apartment in a building adjacent to the US Embassy. The office lease is paid through February 1994. Payments will be made on a month-to-month basis until the PNG operation is closed-out.

Housing leases: Existing residential housing leases in Suva were converted to quarterly leases in early FY 94. These will be terminated once occupants leave, but all by the end of the FY.

In PNG, USAID leases one apartment for the USDH Assistant Director. That lease is currently paid through March 1994. As with the PNG office, payments will be made on a month-to-month basis until departure of the Assistant Director.

II. Project Terminations: FY 94

A. Market Access and Regional Competitiveness (MARC, 879-0018)

The MARC project is designed to increase South Pacific access to and competitiveness in American markets. Activities include assisting the private sector (a) to understand export market operations; (b) to obtain private sector contacts and appropriate promotion in the American markets; and (c) to gear their product development and delivery to the requirements of the American marketplace. As the current TA contract for the project expires at the end of August 1994, MARC will be terminated by September 30, 1994.

The first phase of MARC focussed on conducting field reconnaissance and identifying market niches for a limited number of countries in the region. The second phase was to expand operations into more countries, hone product development, and work jointly with government and industry to achieve a supportive environment for modern export industry development. This second phase will not be undertaken.

I. FY 94 Actions

The current TA contract with the Interamerican Management Consulting Corporation (IMCC), an 8(a) firm, will be allowed to continue to its current end-of-contract date of August 31, 1994; no contract extension will be allowed beyond current EOC date. Project will then be terminated at the end of FY 94 (one-month interim period between EOC and PACD to be used to close-out project, i.e., transfer property, complete Project Assistance Completion Report, etc.). PSC contract for Project Advisor will be shortened to end September 30, 1994. Funds remaining in contracts at PACD will be de-committed and de-obligated.

MARC

LOP Funding: \$7.5 million
Current Mortgage: \$4.2 million
Pipeline: \$1.015 million (obligated to TA contract and Project Advisor PSC)
Estimated de-obt after close-out: \$607,000
Original PACD: 2/30/97
Revised PACD: 9/30/94
Additional funds required: \$0
Countries: Fiji, Tonga, PNG, Cook Islands, Western Samoa
Useful Units (will only be partially achieved):

- ◆ Commercial investment information exchange network successfully completed and transferred to an organization in the region (e.g., AIDP); and
- ◆ Selected niche markets developed for South Pacific products including high value export marine products, wood and non-forest timber products, handicrafts, and
manufacture/adventure tourism.

a. Project Paper Supplement

A Project Paper Supplement is not contemplated, nor is a Project Authorization Amendment as the changes to the project as a result of the Close-Out do not exceed that provided for in the original Authorization. Nevertheless, an Action Memorandum explaining the changes, as well as a revised Project Data Sheet to reflect the decreased level of planned funding and a

shortened PACD, will be prepared and signed by the Acting Regional Director. The Regional Legal Advisor has been consulted and concurs with this approach.

b. Amendments to Agreement(s)

There are MOCs with Governments of Fiji, PNG, and Tonga. These will have to be amended to show early termination of the project due to closure of the Mission. The preferred method is to amend the MOCs by letter rather than invoking the termination clause. The USAID/Jakarta/RLA will prepare initial drafts of these amendments and will forward them to RDO/SP for finalization as they are completed.

c. Contract Amendment(s)

The overall level of effort for the contract will be reduced, as the work that would have been done if the project were continued to its second phase will be stopped or curtailed. This reduced level of effort will be addressed in the annual workplan exercise between the contractor and RDO/SP. A contract amendment may be required to spell

out contractor's responsibilities after contract terminates (i.e., where to submit final vouchers, protection/use of proprietary/sensitive business information collected by IMCC as part of the business information network sub-activity, etc.); however, this might also be accomplished by a letter from the Regional Contracting Officer to the contractor. The PSC with the MARC Project Advisor will need to be amended to show EOC date of 9/30/94 (current PSC is funded through 6/95). This contract amendment will be done by RDO/SP.

d. Participant Training

There are no long-term participants under the MARC Project.

e. Disposition of Project Commodities

Project commodities will be disposed of prior to closure, in accordance with USAID regulations. The specific disposition of commodities will be developed jointly by RDO/SP,

Ramifications of Early Termination

By terminating MARC prematurely, the South Pacific's access to U.S. markets, as well as the U.S.'s access to South Pacific markets, will continue to be limited. This is unfortunate as the South Pacific economies have desired to expand their economic links to the U.S., in part to be less vulnerable to the economic fluctuations in Australia and New Zealand.

In addition, there is likely to be significant political fallout. MARC was developed as a result of President Bush's meeting with the Pacific island leaders on October 28, 1990 in Honolulu, Hawaii (the Honolulu Summit). Consequently, MARC has received considerable high-level attention among South Pacific island leaders. The island governments view the MARC project as the primary vehicle to create closer commercial and economic ties with the U.S. under the umbrella of the US-Pacific island nation Joint Commercial Commission (JCC). Despite the publicity surrounding the recent signing of the JCC agreement, the JCC is widely viewed as a "hollow" organization which will not be able to improve trade links with the U.S.

USAID/Manila, and the contractor. As discussed above, special precautions must be made as proprietary business information was collected as part of the project's trade and investment activities.

f. Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila);
- Approve final year workplan: February 1994 (RDO/SP);
- PIO/T to Amend TA Contract (if needed): March 1994 (RDO/SP);
- Initiate contractor Close-Out procedures: March 1994 (RDO/SP, RCO);
- Amend TA Contract (if needed): April-May 1994 (RDO/SP, RLA, IMCC);
- Amend MOC for Fiji: March-April 1994: (RDO/SP, RLA, GORF);
- Amend MOC for PNG: March-April 1994: (RDO/SP, RDO/SP/PNG, RLA, GPNG);
- Amend MOC for Tonga: March-April 1994: (RDO/SP, RLA, GOT);
- Amend Project Advisor PSC: June 1994 (RDO/SP);
- Complete contractor Close-Out procedures: August-September 1994 (RDO/SP);
- Conduct/complete "internal review" and PACR: September 1994 (RDO/SP); and
- Transfer project files to USAID/Manila (only those required for voucher processing) or USAID/Washington (official project files): September 1994 (RDO/SP)

2. FY 95 Actions

a. Site Visit(s)

None required.

b. Financial Management/Final Voucher Submission/Payment

Final vouchers will be submitted by the contractor to USAID/Manila for payment. The contractor will be advised in FY 94 by letter or contract amendment of this procedural change.

c. Project Assistance Completion Report

The PACR will be completed at the termination of the TA contract at the end of August 1994 but before the end of FY 94; the report will be submitted to USAID/Washington prior to the closure of RDO/SP.

d. Other/Issues

In lieu of a final evaluation, RDO/SP proposes that an internal review be conducted by the MARC Project Advisor. This review document will be incorporated into the PACR.

B. Malaria Immunology and Vaccine Field Trials (936-6001.89)

This activity is designed by USAID/W to set up and run a field site for testing malaria vaccines developed through the G/RD/H Malaria Vaccine Development Program. PNG is one of two sites worldwide established for this purpose. As nearly 60% of the world's population lives in areas where malaria is found, this project has global significance. To date, the PNG Institute for Medical Research (IMR) has made good progress in compiling baseline research/data, research on immunology of malaria, malaria transmission, host factors, and vector and parasite biology, as well as setting up the site for testing of vaccine(s) in humans.

RDO/SP was informed by the ANE Bureau that remaining funding for this activity would not be forthcoming (State 379605, para 4.B.). The reduced level of funding and the desire to reduce the number of USAID activities in the region as quickly as possible means that the PACD will most likely be shortened to 9/30/94.

This project is centrally-funded; however, due to RDO/SP's proximity to the site, the Mission provides financial and administrative management (not technical) oversight and executes all Project Agreements for obligations.

RDO/SP contacted AIDAB to determine its interest in taking over certain elements of this project. The likelihood that AIDAB will be interested in this is minimal, however, given the research nature of the activity.

Malaria Immunology & Vaccine Field Trials

LOP Funding: \$2.4 million
Current Mortgage: \$395,000
Pipeline: \$845,000 (obligated under Grant Agreement to GPNG/IMR)
Estimated de-obs after close-out: \$0
Original PACD: 3/31/95
Revised PACD: 9/30/94
Additional funds required: \$0
Countries: PNG primarily, but research could have world-wide significance
Useful Unit:
 ♦ *An established field site, including required baseline research, to test malaria vaccines developed through the G/RD/H Malaria Vaccine Development Program.*

1. FY 94 Actions

Although this project will be terminated in FY 94, several actions will be required to effect an orderly close-out. On the USG side, the primary action agent in this process will be the G/RD/H Malaria Vaccine Development Program (MVDP). On the GPNG side, the involved parties include the GPNG Institute of Medical Research (IMR) and the Office of International Development Assistance (OIDA). The discrete actions are specified below:

a. Project Paper Supplement

Funds for this project came directly to RDO/SP through the G/RD/H Malaria Vaccine Development Program (as opposed to the ANE Bureau OYB process). As the PP for this

activities with G/RD/H, that official be responsible for completing the PP Supplement if required.

b. Amendments to Agreement(s)

Although RDO/SP has advised IMR of these issues, official notification from MVDP should be done immediately. Following this notification, MVDP and IMR must work quickly together to determine how best to program remaining activities/resources within the remaining timeframe. Once agreement is reached, the bilateral ProAg between RDO/SP and the GPNG (OIDA) can be amended to show: 1) the revised PACD; and 2) revised administrative, technical, and financial oversight arrangements.⁵

c. Contract Amendment(s)

N/A.

d. Participant Training

To RDO/SP's knowledge, there are no long-term participants under this Project.

e. Disposition of Project Commodities

Agreement needs to be reached between MVDP and IMR regarding disposition of project commodities. Disposition of reports, biological samples, intellectual property, etc., also need to be agreed-upon.

f. Timetable

- Officially notify IMR of funding/timing situation: February 1994 (MVDP);
- Develop/approve workplan/budget for remaining project life: February 1994 (MVDP, IMR);

Ramifications of Early Termination

Terminating this activity early will have little immediate impact, as there are, as we understand, no malaria vaccines yet available to test. However, there has been considerable work conducting baseline research needed prior to testing vaccines. This will be handed over to IMR and could eventually be lost as a result of early termination.

Some political repercussions are expected once official notification is made by MVDP. This is due to the fact that: 1) MVDP had already informed IMR of its intent to continue assistance to this activity, even after the current project ended; and 2) the project supported one of two such sites worldwide (and as such, was viewed as a prestigious activity), the other test site being located in Kenya. A MVDP evaluation judged the PNG field site to be far superior to the field test site in Kenya. The potential for resentment in PNG exists, therefore, as USAID will not only be seen as reneging on an earlier commitment, will also be continuing assistance to what is believed to be the weaker of two such sites worldwide.

⁵ Details remain to be resolved between RDO/SP, MVDP, and USAID/Manila.

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- Determine advance liquidation and final voucher approval procedures: March 1994 (USAID/Manila, MVDP); and
- Amend ProAg: April-May 1994 (RDO/SP, RDO/SP/PNG, RLA, OIDA, IMR).

2. FY 95 Actions

a. Site Visit(s)

As the project is being terminated at the end of FY 94, RDO/SP does not anticipate the need for any site visits in FY 95. However, given the fact that technical reports will most likely continue to be written and that there may be other advances in malaria vaccine development, it might be worthwhile to budget for one site visit in FY 95. This decision will be left to MVDP.

b. Financial Management/Final Voucher Submission/Payment

Currently, advances/vouchers are processed by RDO/SP. After RDO/SP closes, vouchers to liquidate advances, including the final voucher, will be submitted to USAID/Manila for payment. As USAID/Manila may have little knowledge of the activities taking place under the project, arrangements might be made so that vouchers can be reviewed/administratively approved by MVDP first. Agreement on this should be obtained as soon as possible between USAID/Manila and MVDP, so that the arrangement can be clearly spelled out in the ProAg amendment with GPNG.

c. Project Assistance Completion Report

A Project Assistance Completion Report (PACR) will be required. Given the technical nature of the project as well as the special direct relationship that exists between MVDP and IMR, the Mission believes that the PACR should be prepared by the MVDP. RDO/SP has advised MVDP of the requirement to clearly spell out the types of reports to be prepared by IMR prior to termination of the grant. The information contained in these reports should be incorporated into the PACR.

d. Other/Issues

A clear indication needs to be obtained by the end of the Close-Out Plan review that MVDP will be responsible for all close-out actions.

C. South Pacific Fisheries Treaty Program (FTP II, 879-0032)

The 1987 Treaty on Fisheries between certain Pacific Island countries and the United States of America provided a solution to differences over the rights of U.S. boats to harvest tuna in exclusive economic zones (EEZs). Among other provisions, the USG agreed to make cash payments to the South Pacific Forum Fisheries Agency (FFA), administrator of the interests of the 16 island countries under the Treaty, as a condition for FFA licenses to be issued to U.S. boats to fish in Treaty waters.

For the first five years of the Treaty (FYs 88-92) an umbrella implementing agreement between USAID and the FFA set the annual cash payment at \$10 million. FTP I (879-0011) funded these annual payments, which were provided to FFA. One million dollars was used for projects, and \$9 million in cash was distributed among the countries under the Treaty.

For the next ten years of the Treaty, FTP II (879-0032, FYs 93-02), a second USAID-FFA umbrella agreement set annual payments at \$14 million, all to be distributed by FFA to member governments in cash. FTP II made the first of these ten payments in FY 93.

RDO/SP manages the FTP II program by preparing annual Program Assistance Authorization Documents (PAADs) and Program Grant Agreements; approving FFA requests for disbursement and arrangements for FFA to hold USAID funds in special accounts until spent; and monitoring FFA financial reports and annual statements that cash distributed is used for economic purposes and not for military or paramilitary purposes.

1. FY 94 Actions

RDO/SP proposes to manage the FY 94 cash transfer through the payment due June 15, 1994. RDO/SP will then transfer its responsibilities for the Program to the ANE Bureau by August 31, for turnover to the Department of State for the remaining eight years under the current Program (i.e., through FY 2002).

RDO/SP can complete the FY 94 cash transfer required under the current USAID-FFA umbrella agreement by June 15, 1994. The ANE Bureau should now submit the required Congressional Notification, seek apportionment, and provide a budget allowance (\$14 million of ESF funds) so RDO/SP can take the remaining FY 94 actions.

Prior to the time when RDO/SP negotiates the FY 94 Program Grant Agreement, the new management arrangements for FTP II must be worked out between USAID/W and the State Department. These new arrangements should clearly specify the State Department's responsibility for the FTP II activity after closure of RDO/SP. Once agreement is reached, these new arrangements should be formally incorporated into an amended USAID-FFA umbrella agreement. Alternatively the USAID-FFA agreement could be terminated and replaced by a substitute agreement signed between the State Department and FFA.

The new arrangements should provide for State to manage the residual USAID responsibilities for project sub-activities left over from FTP I. If State does not set up a means to manage those responsibilities, the FY 94 Program Grant Agreement--as well as all subsequent Agreements--should include "sunset" provisions ending the USG role in those sub-activities and leaving them to be managed solely by FFA. FFA has done a good job of managing them up to now.

To assist in the transition of responsibility for FTP II to the State Department, RDO/SP's Fisheries Advisor could be made available to train an officer at the US Embassy in Suva in the details of the program. Alternatively (and preferably), USAID/W could negotiate with the State Department so that the US Embassy in Suva is provided with funds/authority to contract the Fisheries Advisor to prepare the required documentation on an annual basis and to conduct the various monitoring activities to ensure compliance with U.S. laws.

a. PAAD Amendments

As indicated above, RDO/SP will be responsible for preparing the PAAD Amendment necessary for the FY 94 Program Grant Agreement. Actions necessary to allow the funds should begin now to ensure that the cash transfer can be effected by the June 15 deadline.

Immediately after the FY 94 cash transfer, RDO/SP will transfer its responsibilities and records to ANE for transfer to State to facilitate the alternate arrangements. RDO/SP's Fisheries Advisor will be available to assist in the transition until his contract terminates (est. June 1995).

b. Amendments to Agreement(s)

The ANE Bureau and State should negotiate and provide RDO/SP with guidance for the new FTP II management arrangements (including arrangements for management of residual actions from FTP I) as soon as practicable. This will help avoid uncertainties in relationships with FFA and its members.

c. Contract Amendment(s)

N/A.

d. Participant Training

N/A.

e. Disposition of Project Commodities

N/A.

f. Timetable

- Obtain agreement on post-closure oversight: February 1994 (USAID/W, State, RDO/SP);
- Prepare/submit Congressional Notification, seek apportionment, and provide a budget allowance to RDO/SP: February-April 1994 (USAID/W);
- Prepare/amend USAID-FFA umbrella agreement to reflect revised management arrangements: March-April 1994 (State Department, USAID/W, RDO/SP, RLA);
- Prepare PAAD and Program Grant Agreement: April-May 1994 (RDO/SP, RLA);
- Sign Program Grant Agreement with 16 FFA countries, effect cash transfer: June 1994 (RDO/SP, FFA countries, USAID/W);
- Transfer responsibilities and records for FTP I/II to USAID/W (ANE Bureau): June 1994 (RDO/SP, USAID/W)
- Transfer responsibility for FTP I/II from USAID/W (ANE Bureau) to State Department: August 1994 (USAID/W, State Department)

2. FY 95 Actions

To be determined by USAID/W and State.

a. Site Visit(s)

To be determined.

b. Financial Management/Final Voucher Submission/Payment

To be determined.

c. Project Assistance Completion Report

To be determined.

d. Other/Issues

As has been the case in the past under FTP I and FTP II, RDO/SP's Fisheries Advisor is instrumental in effecting the annual cash transfers under the Program. His functions include coordinating with the FFA, the State Department, and USAID/W's Legal Advisor, monitoring sub-projects funded from FTP I resources, and monitoring the reporting provided by the FFA countries to ensure compliance with U.S. laws. Provisions for the future should be made to ensure the required skills/services are provided for to effect the annual cash transfers.

III. Project Terminations: FY 95

A. PNG Child Survival Support Project (PNG-CSSP, 879-0017)

This project aims to improve child survival and maternal health services in rural areas of PNG. Phase I, designed primarily to lay the technical, programmatic, and organizational foundation for Phase II, has been completed. As a result of a mid-term evaluation, project assumptions were reexamined, Phase II outputs were refocused to cover four provinces in depth, GPNG counterpart arrangements were strengthened, and the TA contract team was reorganized. Implementation of Phase II, which consists of testing and delivery of a fundamental package of child survival and maternal-child health services, is underway in two of four selected provinces.

Early termination of the project will mean that training for delivery of the services package will be limited to two provinces, and in fewer districts within the provinces will the project be able to re-examine, revise, and perfect the service delivery packages being delivered. Also, most work on central-level support systems for child survival services at the GPNG Ministry of Health and all operational research on child survival will be canceled.

PNG-CSSP, originally targeted for closure in FY 94 following the ANE Bureau review of RDO/SP's initial close-out proposal (93 Suva 3306), is now proposed to be extended through March 1995 to allow the Asian Development Bank (ADB) sufficient time to include certain elements of this project into its Human Resources Development Project which will be designed during mid-1994 and is expected to be operational in early 1995. The ADB has advised USAID that it would like to take over elements of the PNG Child Survival Support Project, especially the training and technical components of the package of child survival services in the field, but needs additional time for its project documentation/approval process to be completed. This extension could be accomplished with funds currently obligated to the project.

PNG Child Survival

LOP Funding: \$9.4 million

Current Mortgage: \$3.0 million

Pipeline: \$1.523 million (obligated to TA contract)

Estimated de-obs after close-out: \$0

Original PACD: 8/31/97

Revised PACD: 3/31/95

Additional funds required: \$0

Country: PNG

Useful Unit (will be completed, but at more modest level):

◆ *A complete child survival services delivery package (consisting of service delivery training, training materials and equipment, and training of trainers, in two PNG provinces) will be put in place so it can be handed over to the GPNG and the ADB to continue.*

1. FY 94 Actions

a. Project Paper Supplement

A Project Paper Supplement is not contemplated, nor is a Project Authorization Amendment as the changes to the project as a result of the Close-Out do not exceed that provided for in the original Authorization. Nevertheless, an Action Memorandum explaining the changes, as well as a revised Project Data Sheet to reflect the decreased level of planned funding and a shortened PACD, will be prepared and signed by the Acting Regional Director. The Regional Legal Advisor has been consulted and concurs with this approach.

b. Amendment to Agreement

Project Agreement with Government of PNG will require amendment to reflect decreased funding, shortened project life, and post-RDO/SP closure administrative arrangements.

c. Contract Amendment

The TA contract with JSI will have to be amended during FY 94 to reflect the decreased funding, shortened life of project, and revised administrative, technical, and financial management arrangements.

d. Participant Training

There are no long-term participants under this Project.

e. Disposition of Project Commodities

Agreement needs to be reached between the GPNG and RDO/SP regarding disposition of project commodities.

f. Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila);
- Revise "strategic implementation plan for Phase II": March 1994 (RDO/SP, GPNG-MOH, RCO, JSI);
- Formally advise GPNG (MOH and OIDA) that project will terminate on 3/31/95: February 1994 (RDO/SP, RLA);
- Advise JSI that project will terminate on 3/31/95: February 1994 (RDO/SP, RCO);
- Amend ProAg: March-April 1994 (RDO/SP, RLA);
- PIO/T to Amend TA Contract and to add final tranche of uncommitted funds: May 1994 (RDO/SP, GPNG);
- Amend TA Contract: May 1994 (RDO/SP, RCO, JSI);
- Formally transfer project to USAID/Manila: June-July 1994 (RDO/SP, USAID/Manila)

2. FY 95 Actions

a. Technical Oversight Arrangements/Site Visit(s)

Following transfer of the project, the Mission estimates that technical oversight for this activity could be accomplished by one field visit prior to transfer, and one field visit in FY 95 by the cognizant USAID/Manila technical office. The details of this will be worked out between RDO/SP and USAID/Manila prior to formal transfer.

b. Administrative Oversight Arrangements/Site Visit(s)

Administrative oversight can be achieved in conjunction with technical oversight, also out of USAID/Manila. USAID/Manila will be responsible for administratively approving final vouchers.

c. Financial Management/Final Voucher Submission/Payment

Financial management responsibilities will be transferred to USAID/Manila, which will be responsible for paying final vouchers.

d. Evaluation

The PNG-CSSP was evaluated in FY 93. As the project will terminate in mid-FY 95 and no further funding is available, a subsequent project evaluation is probably not justified.

e. Project Assistance Completion Report

USAID/Manila will be responsible for completing the Project Assistance Completion Report, although RDO/SP will draft an initial version prior to the formal transfer of the project to USAID/Manila.

f. Other

N/A.

Ramifications of Early Termination

Terminating PNG-CSSP early would interrupt development of a CS service delivery package before its completion and leave a void in PNG's emerging rural health care delivery system that no other donor could immediately fill. The project should be allowed to continue until the basic package can be completed so it can be handed over to another donor to continue.

PNG-CSSP was the first of several donor-financed interventions in the health sector (as the first bilateral project signed between the USG and the GPNG, it also has symbolic importance). After PNG-CSSP began, the GPNG was able to coordinate other donor assistance around that provided under PNG-CSSP; new assistance was complementary to, rather than in competition with, that provided by USAID.

The GPNG also organized much of its evolving rural health MCH service delivery around the training packages to be provided under Phase II of PNG-CSSP. Premature termination of this project would interrupt this positive momentum, potentially wasting GPNG investments made to date. Allowing additional time for this project to complete its useful unit would permit the ADB to bring its planned Human Resources Development Project on line and allow the training packages to be spread throughout PNG.

B. Regional Family Planning (RFP, 879-0019)

The purpose of the Regional Family Planning project is to promote family planning and population policy development in the South Pacific. The project established, and now works to strengthen, the area's first and sole indigenous regional family planning NGO, the South Pacific Alliance for Family Health (SPAFH). SPAFH provides family planning/population assistance to all ten countries served by RDO/SP through small grants to country/local governments and NGOs, technical assistance, training, and social marketing. Technical assistance for institutional capacity building is provided through a Cooperative Agreement with Pathfinder International. Phase I was successfully completed in 1993; Phase II is underway. This was to continue institution-building for three and one-half years to ensure SPAFH's viability, expand the small grants program SPAFH administers, and introduce new activities such as voluntary surgical sterilization, Norplant, expanded social marketing, and training (using US family planning intermediaries such as JHPEIGO, SEATS, SOMARC, etc.).

The Mission proposes to shorten the project from 3/31/97 to 9/30/95, continue only the Pathfinder CA component, and transfer project oversight (technical, administrative, financial) to either USAID/Manila or G/RD/POP.⁶ As SPAFH is a fledgling organization, it is critical that the project's capacity-building support be allowed to continue as long as possible in order to improve the probability of its long-term viability.

1. FY 94 Actions

No obligation of funds is called for as RFP is fully funded for the reduced scope of activities outlined above under the modified project timeframe. Specific actions are outlined below.

Regional Family Planning

LOP Funding: \$4.8 million
Current Mortgage: \$1.5 million
Pipeline: \$1.523 million (obligated under a CA with a US-PVO)
Estimated de-obs after close-out: \$0
Original PACD: 3/31/97
Revised PACD: 9/30/95
Additional funds required: \$0
Countries: Regional
Useful Unit (will only be partially achieved):
 ♦ *Bring the South Pacific Alliance for Family Health (SPAFH) to the point where it can survive as an independent, regional, family planning NGO with strong relationships with, and funding from, other donors in the region.*

⁶ Although the bulk of RDO/SP's activities are being transferred to USAID/Manila, this family planning activity with Pathfinder International is virtually identical to one between G/RD/POP and Pathfinder, and hence, could be overseen with virtually no additional resources. During consultations in Washington in December 1993, RDO/SP staff were able to determine that G/RD/POP would be willing to undertake technical oversight of this activity. If the project were to receive its technical oversight from G/RD/POP, arrangements would have to be worked out beforehand re administrative approval of vouchers and financial oversight.

a. Project Paper Supplement

A Project Paper Supplement is not contemplated, nor is a Project Authorization Amendment as the changes to the project as a result of the Close-Out do not exceed that provided for in the original Authorization. Nevertheless, an Action Memorandum explaining the changes, as well as a revised Project Data Sheet to reflect the decreased level of planned funding and a shortened PACD, will be prepared and signed by the Acting Regional Director. The Regional Legal Advisor has been consulted and concurs with this approach.

b. Amendments to Agreement(s)

The Cooperative Agreement will need to be amended to reflect changes in project oversight.

c. Contract Amendment(s)

N/A.

d. Participant Training

There are no long-term participants under this Project.

e. Disposition of Project Commodities

Agreement needs to be reached between the SPAFH and RDO/SP regarding disposition of project commodities.

Ramifications of Early Termination

Early termination of this activity would put in jeopardy the viability of SPAFH, a family planning NGO created by USAID. Family planning services are desperately needed in the region, as the South Pacific region has relatively high growth rates (average 2.2% for the region; as high as 3.6% in some countries) and limited landmass. Already, many countries are seeing the effects of over-population as social and environmental problems increase. SPAFH is making headway in increasing awareness around the region that there is a need for family planning, but it is not yet strong enough institutionally to survive without donor support. One year of additional support will not necessarily guarantee success, but it will increase the odds that it will be able to survive after USAID assistance ends (Australia has begun supporting certain SPAFH initiatives, but USAID--as the creator of SPAFH--is still its principal donor).

f. Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila, G/RD/POP);
- Advise SPAFH that project will terminate on 9/30/95: March 1994 (RDO/SP);
- PIO/T to Amend CA: March 1994 (RDO/SP);
- Amend CA: May 1994 (RDO/SP, USAID/Manila/RCO);
- Formally transfer project to USAID/Manila or G/RD/POP: July 1994 (RDO/SP, USAID/Manila, G/RD/POP(?))

2. FY 95 Actions

a. Technical Oversight Arrangements/Site Visit(s)

Because of the superior technical oversight that Pathfinder provides for SPAFH, we estimate only one site visit will be needed in FY 95 by either of G/RD/POP or USAID/Manila.

b. Administrative Oversight Arrangements/Site Visit(s)

As this project could be transferred either to USAID/Manila or G/RD/POP, the specific details of the project transfer must be worked out among concerned parties. However, as noted above, it might be more appropriate to have this activity receive its technical oversight from G/RD/POP, which is already staffed to oversee such activities.

c. Financial Management/Final Voucher Submission/Payment

Funding for Pathfinder is provided through a USAID Letter of Credit. RDO/SP anticipates that these financial arrangements will continue regardless of whether the project is transferred to USAID/Manila or G/RD/POP.

d. Evaluation

A mid-term evaluation was performed in 1993. No funds are in the present budget for a final evaluation as these were planned for inclusion in the funding tranche expected in FY 94 or FY 95. Audit funds are already included in the CA with Pathfinder.

e. Project Assistance Completion Report

USAID/Manila would be responsible for completing the PACR; however, RDO/SP will attempt to draft a first version of this report, covering the period up to the time of transfer.

f. Other/Issues

N/A.

C. Regional AIDS Prevention (RAP, 879-0022)

The Regional AIDS Prevention project established and supports at the South Pacific Commission (SPC) the only regional, indigenous, coordinating organization for AIDS prevention, communication, and education. Activities include training for media productions, small grants for NGOs, preparing, testing and distributing information, education, and communication (IEC) materials. Now in its fourth year, the project is proceeding extremely well: local/regional capacities in coordination and education for AIDS prevention are being developed on schedule; condom social marketing is expanding; and the small grants program is considered extremely successful as a prototypal model for small, grass-roots programs.

The project consists primarily of a grant to the SPC, a Public International Organization, as provided for under a Handbook 13, Chapter 5. In addition, there is a small condom social marketing element, and PSC project management in RDO/SP.

1. FY 94 Actions

No further funding is needed as the grant is fully-funded. Administrative, technical, and financial oversight for the project will be transferred to USAID/Manila by July 1994. Where appropriate, USAID/Manila's technical oversight might be supported by assistance from G/RD/H/AIDS. The details of this support will be worked out separately between USAID/Manila and G/RD/H/AIDS.

a. Project Paper Supplement

A Project Paper Supplement is not contemplated, nor is a Project Authorization Amendment as the changes to the project as a result of the Close-Out do not exceed that provided for in the original Authorization. Nevertheless, an Action Memorandum explaining the changes, as well as a revised Project Data Sheet to reflect the decreased level of planned funding and a shortened PACD, will be prepared and signed by the Acting Regional Director. The Regional Legal Advisor has been consulted and concurs with this approach.

b. Amendments to Agreement(s)

The grant to SPC will be amended to reflect the change in technical, administrative and financial oversight arrangements from RDO/SP to USAID/Manila.

Regional AIDS Prevention

LOP Funding: \$2.5 million

Current Mortgage: \$0

Pipeline: \$1.067 million (obligated under grant to SPC and Project Advisor PSC)

Estimated de-obs after close-out: \$271,000

Original PACD: 9/30/95

Revised PACD: 9/30/95

Additional funds required: \$0

Countries: Regional

Useful Units:

◆ *An established AIDS unit within SPC capable of providing AIDS prevention services to the region; and*

◆ *A core group of trained persons (including local NGOs) established in each country in the region capable of producing AIDS prevention materials.*

c. Contract Amendment(s)

The PSC contract with the Project Advisor overseeing project implementation will be amended to reflect the shortened time frame.

d. Participant Training

There are no long-term participants under this Project.

e. Disposition of Project Commodities

Agreement needs to be reached between the SPC and RDO/SP regarding disposition of project commodities.

f. Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila);
- Prepare PIO/T to amend grant agreement with the SPC to reflect change in management arrangements: April 1994 (RDO/SP, SPC, RLA);
- Amend grant agreement with SPC: May 1994 (RDO/SP, SPC);
- Amend PSC Contract: May 1994 (RDO/SP, PSC);
- Formally transfer project to USAID/Manila: June-July 1994 (RDO/SP, USAID/Manila)

2. FY 95 Actions

a. Technical Oversight Arrangements/Site Visit(s)

The grant to SPC calls for periodic meetings of the project's "Technical Advisory Group," which includes SPC staff and the other donors. Because of the distances involved, such meetings have been held, but not regularly. RDO/SP suggests that one site visit to the SPC's Noumea headquarters be scheduled for the USAID/Manila officer ultimately having technical oversight for the project.

b. Administrative Oversight Arrangements/Site Visit(s)

Administrative oversight will be transferred to USAID/Manila in July 1994. The technical office taking over this project will be responsible for providing all necessary administrative approvals after transfer.

Ramifications of Early Termination

Early termination of this activity would seriously handicap the region's ability to develop much-needed AIDS prevention materials. Although AIDS cases in the South Pacific region are as yet, relatively low, the potential for rapid increases exists. The World Health Organization estimates that PNG alone may have as many as 10-30,000 individuals--men and women--infected with HIV. Unchecked, this could be devastating, particularly for the small island economies in the region.

c. Financial Management/Final Voucher Submission/Payment

Advances and liquidations will be handled by USAID/Manila following formal transfer of the project.

d. Evaluation

Funding for a final evaluation and periodic audits is in the existing budget. (The RAP project underwent a mid-term evaluation in FY 93 and received excellent marks for project implementation.) The final evaluation will have to be arranged by the office ultimately assuming responsibility for RAP.

Regarding audits, USAID/Manila will need to review the SPC audits and collaborate with SPC on any final audits.

e. Project Assistance Completion Report

USAID/Manila will have ultimate responsibility for completing the PACR, but RDO/SP intends to draft a first version of this report covering the period up to the date of transfer.

f. Other/Issues

N/A.

D. Profitable Environmental Protection (PEP, 879-0023)

This project aims to encourage the long-term conservation of biologically and economically vital ecosystems by demonstrating practical examples and approaches to profitable commercial and community enterprises based on sustainable exploitation of those ecosystems. The project identifies, supports, and tests entrepreneurial approaches to achieve conservation goals that can be replicated, and, where possible, be directed towards areas of greatest biodiversity. It is being implemented by the US PVO, Foundation for the Peoples of the South Pacific (FSP).

This project consists of two phases, the first being a "reconnaissance" phase during which data was gathered at the community level, discussions were held with community groups, national and municipal governments, as well as private businesses. The second phase, "field implementation," has recently begun, with work underway on a number of enterprises.

The Mission believes that greater project impact could be realized if the project were allowed to continue to its original PACD of September 30, 1995. This would secure the benefits of nearly two years of data-gathering, as well as fulfill commitments made to the local communities involved. However, as funding will be cut by \$357,000, activities will be limited to Vanuatu only (foregoing planned activities in Tonga and PNG). A limited amount of funding support for the South Pacific Regional Environmental Programme (SPREP) (i.e., in addition to core funding support), planned in the PP, will also be reviewed, although it is doubtful that this could be accomplished without additional resources.

1. FY 94 Actions

The Mission expects to transfer project management responsibility to USAID/Manila by July 1994. A letter from the Grants Officer to FSP will formalize this arrangement.

PEP

LOP Funding: \$2.4 million
Current Mortgage: \$357,500
Pipeline: \$1.15 million (obligated to CA and Project Advisor PSC)
Estimated de-obs after close-out: \$86,000
Original PACD: 9/30/95
Revised PACD: 9/30/95
Additional funds required: \$0
Countries: Vanuatu only; project was also to work in other countries (PNG and Tonga), but will not now, due to closure.
Useful Units:

- ◆ *Working examples of profitable environmental protection developed;*
- ◆ *Enterprises representing a variety of business types and working in various ecological milieux actively engaged in environmentally protective business practices; and*
- ◆ *A body of knowledge--including lessons learned, approaches, and ideas--documented, discussed, and disseminated throughout the region.*

a. Project Paper Supplement

A Project Paper Supplement is not contemplated, nor is a Project Authorization Amendment as the changes to the project as a result of the Close-Out do not exceed that provided for in the original Authorization. Nevertheless, an Action Memorandum explaining the changes, as well as a revised Project Data Sheet to reflect the decreased level of planned funding and a shortened PACD, will be prepared and signed by the Acting Regional Director. The Regional Legal Advisor has been consulted and concurs with this approach.

b. Amendments to Agreement(s)

An amendment to the existing Memorandum of Cooperation with the Government of Vanuatu is not contemplated at this time.

Ramifications of Early Termination

c. Cooperative Agreement Amendment(s)

No Cooperative Agreement Amendment is contemplated at this time, however, a letter from the Grants Officer to FSP will be needed to advise the grantee of new administrative backstopping arrangements following closure of RDO/SP.

Early termination of PEP would result in a loss of virtually the entire USG investment made to date addressing the critical environmental problems facing the South Pacific. This would be unfortunate and untimely as the ecological biodiversity in the South Pacific--terrestrial and marine--is both immense and under immediate threat. Overpopulation, a dearth of economic options, and increasing demands for cash are collectively causing overexploitation of reef and deep-water fishing resources, deforestation, and degradation of limited land resources throughout the region. In order to slow, and hopefully reverse, the negative effects of these unsustainable practices, efforts must be made now to identify alternative income sources, demonstrate their profitability and replicability, and disseminate this information throughout the region.

d. Participant Training

There are no long-term participants under this Project.

e. Disposition of Project Commodities

Agreement will be reached between the FSP and RDO/SP regarding disposition of project commodities.

The initial reconnaissance has been done, and fieldwork--at the village level where resources are under most immediate threat--has begun. Progress thus far has been positive; however, given the nature of the work, it has also been slow. RDO/SP estimates that PEP will need the time originally contemplated for the project to complete the identified useful units of assistance in order to ensure that the efforts to date are not wasted.

f. Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila);
- Revise budget/workplan to reflect reduced funding: February-March 1994 (RDO/SP, FSP);

- Notify grantee of revised management oversight arrangements: April 1994 (RDO/SP, RCO, RLA);
- Formally transfer project to USAID/Manila: July 1994 (RDO/SP, USAID/Manila)

2. FY 95 Actions

a. Technical Oversight Arrangements/Site Visit(s)

The bulk of RDO/SP's involvement took place during the first phase of the project, when countries and project sites were first being identified (as specified in the Cooperative Agreement's substantive involvement clause). Now that activities have been identified and are underway, the requirements for technical oversight have diminished and could be accomplished through one visit to Vanuatu in FY 95 (in addition to the excellent regular reporting provided by the PEP project team).

Technical oversight for PEP will be transferred to USAID/Manila in July 1994. The Mission expects that the transfer will be formally effected via a letter from the Grants Officer to FSP; given the nature of the change, a Cooperative Agreement amendment should not be necessary.

b. Administrative Oversight Arrangements/Site Visit(s)

Administrative oversight can be achieved in conjunction with technical oversight, also out of USAID/Manila. USAID/Manila will be responsible for administratively approving final vouchers.

c. Financial Management/Final Voucher Submission/Payment

Financial management responsibilities will be transferred to USAID/Manila, which will be responsible for paying final vouchers.

d. Evaluation

A formal mid-term evaluation was planned for mid-FY 94. However, with the reduced level of activities and reduced funding, the evaluation may now not be necessary. Nevertheless, it was always planned that "lessons learned" under the project would be documented. A first draft of this document will be prepared jointly by the PEP project team and the RDO/SP Environmental Advisor beginning in mid-1994, and should be completed prior to transfer to USAID/Manila.

e. Project Assistance Completion Report

The PACR should be prepared by USAID/Manila, upon completion of the project. However, the "lessons learned" document referred to above will serve as the basis for this report, so the Mission does not anticipate that the PACR will be particularly onerous.

f. Other/Issues

PEP activities are counted as part of the USG's contribution to the Global Environmental Facility (GEF). Because of the reduced funding request, the USG should now find or design other environmental activities to maintain the level of its pledged support to the GEF.

E. Commercial Agricultural Development (CAD, 879-0025)

This project is directed at increasing the number and value of agricultural exports to niche markets in the Pacific Rim by transferring environmentally-sustainable technologies to indigenous producers and strengthening capacities of producer-owned enterprises to market their products. With very limited natural and financial resources, most Pacific Island countries are dependent on expanding exports for the sustained development of their economies; without the benefit of non-chemical technologies being developed under the CAD project, these countries will not be able to export certain fruits and vegetables that are fruit fly hosts, thereby losing a major opportunity to diversity and expand their export bases.

Project technologies include non-chemical quarantine treatments, which have considerable potential for worldwide significance and replication. These treatments replace highly toxic chemicals, such as ethylene dibromide (banned in the U.S.) and methyl bromide (ozone depleting), so, in addition to increasing economic options for the island economies, are seen as being particularly environmentally friendly.

As proposed in this plan, many project activities will be eliminated, and those remaining will be significantly scaled-back. However, because of the nature of the research and the regulatory certification process required for quarantine treatment technologies, the project needs until August 1995 to successfully complete its ongoing work in this sector. The project's original objective of ensuring commercial operation of the quarantine treatment technologies will not be met under this close-out scenario, but it will at least be possible to complete the research and initiate regulatory certification of the treatment technology which should go far towards assuring its eventual use despite termination of the project.

1. FY 94 Actions

Obligation of \$841,000 in FY 94 is urgently needed in order to complete the minimal useful units outlined above. In addition, a number of programmatic actions will be required to transfer and lay the groundwork for smooth project close-out: the TA contract with ACDI, the grant to the University of the South Pacific, the PASA with USDA, and the contract for

CAD

LOP Funding: \$6.0 million
Current Mortgage: \$2.9 million
Pipeline: \$2.681 million (obligated to TA contract (ACDI), PASA (USDA), Grant Agreement (USP), and Project Advisor PSC)
Estimated de-obs after close-out: \$0
Original PACD: 12/31/96
Revised PACD: 6/30/96
Additional funds required: \$601,000
Countries: Tonga, Fiji, Western Samoa, Vanuatu, technologies developed under project will ultimately have regional impact
Useful Units:

- ◆ *Commercial non-chemical quarantine treatment facilities certified for use in Tonga and Fiji;*
- ◆ *Advisory services to small-scale producer groups in Fiji, Vanuatu, and Tonga to improve prospects for becoming self-sufficient; and*
- ◆ *Participant training programs in progress completed.*

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project advisory services will have to be amended. Furthermore, Memoranda of Cooperation, and Memoranda of Understanding will have to be amended to reflect decreased funding and the project's shortened timeframe, as might the Project Paper (see below). In the case of the MOC with PNG, it will have to be canceled outright (none of the project services committed to in the document will be delivered as a result of the shortened timeframe).

a. Project Paper Supplement

A Project Paper Supplement is not contemplated, nor is a Project Authorization Amendment as the changes to the project as a result of the Close-Out do not exceed that provided for in the original Authorization. Nevertheless, an Action Memorandum explaining the changes, as well as a revised Project Data Sheet to reflect the decreased level of planned funding and a shortened PACD, will be prepared and signed by the Acting Regional Director. The Regional Legal Advisor has been consulted and concurs with this approach.

b. Amendments to Agreement(s)

CAD is being implemented in five countries under Memoranda of Cooperation (MOCs): PNG; Fiji; Tonga; Vanuatu; and Western Samoa. The work to strengthen local producer groups is being carried out under Memoranda of Understanding (MOUs) between the producer groups and the project. Finally, a Cooperative Agreement exists with the University of the South Pacific. Shortening the timeframe and financing for the project will require a scaling back of project activities; all MOCs, MOUs, and the CA will have to be amended accordingly.

c. Contract Amendment(s)

Several contracts/agreements will need to be amended in FY 94: the contract with the implementing contractor, ACDI; the PASA with USDA for technical support, the Grant Agreement with USP for participant training, and the contract for project advisory services with Dr. Andrew McGregor. Because of the critical importance of the project advisor to the success of this project, USAID/Manila has agreed to continue the current personal services contract with Dr. McGregor. The single FSN Advisor position

Ramifications of Early Termination

Early termination of CAD will negatively affect the prospects for small farmers in Pacific Island countries to, in a cost-effective manner, produce high quality agricultural products that can be exported to other Pacific Rim countries. CAD is developing new--or adapting known--technologies for: pest control (which will limit or eliminate the need for pesticides); resource use (to reduce rate of forest depletion); and agricultural practices (to reduce erosion on hillsides). With increasingly stringent requirements by importing countries in the region for agricultural imports and increasingly fragile ecologies, these technologies are considered essential to the sustainable development objectives of the island nations in the region. Early termination of CAD, therefore, would effectively cut off work in progress to increase sustainable development options for our development partners in the region.

continuing at the U.S. Embassy beyond RDO/SP closure will be responsible for providing liaison with USAID/Manila.

d. Participant Training

There are six long-term participants under this Project. All programs have been initiated and are scheduled to be completed as follows: 11/94 (1 program); 11/95 (4 programs); and 6/96 (1 program). As the training is already underway and is considered critical to the success of the CAD project, the Mission proposes that these training activities be allowed to terminate as scheduled. All other project activities, including other short-term training financed under CAD, would cease by August 1995. The PACD would be amended to 6/30/96, however, to allow the last participant training program to be completed.

e. Disposition of Project Commodities

Agreement needs to be reached between RDO/SP, USAID/Manila, the implementing contractor, the various government agencies, USP, the various producer organizations, etc., with which the project is working regarding disposition of project commodities. In all likelihood, project-procured commodities will remain with the organization(s) for which they were originally purchased.

f. Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila);
- Revise budget/workplan to reflect reduced funding: February-March 1994 (RDO/SP);
- Amend MOCs with Governments of Vanuatu, Fiji, Tonga, and Western Samoa; cancel MOC w/PNG: March-May 1994 (RDO/SP and respective governments);
- Amend MOUs with Producer Organizations in Fiji, Tonga and Vanuatu: April-May 1994 (RDO/SP, ACDI)
- Complete PIO/Ts to amend CA, PASA, ACDI Contract and PSC: April-May 1994 (RDO/SP);
- Amend CA, PASA, ACDI Contract and PSC: May-June 1994 (RDO/SP, USAID/Manila/RCO and all cooperating parties);
- Formally transfer project to USAID/Manila: July 1994 (RDO/SP, USAID/Manila)

2. FY 95 Actions

a. Technical Oversight Arrangements/Site Visit(s)

RDO/SP estimates that at least two TDYs for technical oversight would be required after transfer to USAID/Manila: one in late FY 94 or early FY 95, and a second in late FY 95. These technical oversight TDYs could also provide administrative oversight/support. Project monitoring and reporting to USAID/Manila will be provided by the individual providing project advisory services.

b. Administrative Oversight Arrangements/Site Visit(s)

See above paragraph.

c. Financial Management/Final Voucher Submission/Payment

ACDI is a NGO, and as such is paid through a Washington-issued Letter of Credit. USP receives periodic advances which must be liquidated before receiving subsequent ones. Responsibility for review/approval of regular financial reports/advance liquidations will be transferred to USAID/Manila along with the transfer of the project.

Under present circumstances, the Project Advisor reviews and verifies the details of vouchers, requests for advances, etc., and recommends to the USDH Project Officer that she provide the required Project Officer approval. The documents are then sent to the appropriate paying station. After the transfer of the project to USAID/Manila, these procedures could continue to be followed. Whatever arrangements are ultimately agreed upon should be worked out between the Project Advisor and the USAID/Manila Project Officer taking over the project after RDO/SP closure.

d. Evaluation

Funds for a final evaluation are not included in the sum requested above, so additional funds would be required if a decision to proceed with an evaluation were made. There probably exists good reason to evaluate this project, as it is working on quarantine treatment techniques that will have worldwide significance.

In the event a formal evaluation is not done, the findings of the project should at least be documented and disseminated through existing channels, e.g., CDIE. Other possible sources of assistance to provide evaluation support include the ANE Bureau Regional Agribusiness Project (which may be transferred to G/RD/AGR) or other G/RD/AGR projects.

e. Project Assistance Completion Report

USAID/Manila will be responsible for completing the PACR. The bulk of the PACR could be written by the project advisor (who represents the project's institutional memory).

f. Other/Issues

Training of six long-term degree participants is currently underway. The last participant's program is scheduled to be completed in June 1996. Although all other project activities will be completed by August 1995, the PACD for CAD needs to be continued through June 1996 to allow for completion of ongoing participant training. Alternatively, the project could be closed-out after August 1995 if other institutional arrangements can be found to oversee participant training programs continuing beyond this date.

F. Pacific Islands Marine Resources (PIMAR, 879-0020)

The PIMAR project promotes sustainable development of regional fisheries by assisting indigenous fishermen and fishing organizations to develop environmentally-sound exploitation of their marine resources. Activities include:

- Kiribati (formulation of the Tarawa Lagoon Management Plan);
- PNG (tuna longlining and support for Fishing Industry Association);
- Tonga (small-scale, private sector tuna longlining);
- Tuvalu (small-scale, private sector bottomfish fishing);
- Cook islands (black pearl culture development);
- Fiji (Lami fisheries jetty);
- Regional (Tuna and Billfish Assessment Program); and
- Regional (dissemination of successful technologies and practices developed under PIMAR).

The project is being implemented using several obligation and commitment mechanisms: bilateral Project Agreements between the USG and the Governments of the Cook Islands, Kiribati, Papua New Guinea, Tonga, Tuvalu; a grant to the South Pacific Commission (SPC); and Memoranda of Cooperation (MOC) with the governments of Fiji and PNG. The project has multiple contractors/grantees: RDA International, Inc., (Cook Islands, Tonga, and Tuvalu); Biosystems Analysis, Inc. (Kiribati); The Foundation for the Peoples of the South Pacific (Fiji and PNG), and SPC (PNG and regional).

The Mission will put activities in Kiribati, PNG (tuna longline trials), Tonga, Tuvalu, and Fiji on an accelerated implementation schedule so they will be completed by 9/30/94. Participant training, however, for Tonga will be completed by 12/31/94, and for Tuvalu by 6/30/95. The Tuna Billfish Assessment Program will also be completed by that date. The remaining activities (Cook Islands (black pearl), PNG (Fishing Industry Association) and South Pacific Commission

PIMAR

LOP Funding: \$13.7 million
Current Mortgage: \$4.1 million
Pipeline: \$3.937 million (obligated to TA contractors, Grant Agreements, and Project Advisor and Management PSCs)
Estimated de-obs after close-out: \$0
Original PACD: 9/30/95
Revised PACD: 6/30/95
Additional funds required: \$1.303 million
Countries: PNG, Tonga, Tuvalu, Fiji, Kiribati, Cook Islands, and regional
Useful Units:

- ◆ *An operational oyster-culture research facility for the Cook Islands;*
- ◆ *A SPC fisheries technology dissemination activity.*
- ◆ *An operational indigenous fishing industry association in PNG;*
- ◆ *Long-line and bottomfishing methods developed for small-scale fisherfolk to sustainably exploit high value marine resources in PNG, Tonga, Tuvalu, and the Cook Islands;*
- ◆ *Small scale marine infrastructure (jetty) completed in Fiji; and*
- ◆ *A plan completed for improving land use/marine management to reduce lagoon pollution for Tarawa Lagoon, Kiribati.*

(Regional Impact)) will be completed by 6/30/95.

1. FY 94 Actions

\$1.303 million in FY 94 DA funding will be required to complete the above activities. Contracts and grant agreements will have to be amended to revise work statements and transfer project oversight to USAID/Manila (with technical assistance to be provided by the G/RD/AGR Fisheries expert, if required). Five Project Agreements and two Memoranda of Cooperation also will be amended to reflect decreased funding and shortened timeframes.

Below is a discussion of individual PIMAR project components and actions required in FYs 94 and 95.

a. Kiribati Tarawa Lagoon

The purpose of this sub-activity is to develop a lagoon management plan which will preserve the biosystems and diversity of the lagoon. This sub-activity, being funded through a ProAg with the GOK and implemented through a contract with BioSystems Analysis, Inc., is well along in its implementation. The lagoon management plan has been agreed upon and is in operation. The first community participation workshop in Tarawa was completed in October 1993 and the second and final workshop is scheduled for April 1994. The five research studies are on schedule and all USAID-funded activities can be completed by September 1994. To bring this sub-activity to a successful conclusion by 9/30/94, however, the remaining \$120,000 planned for this sub-activity is required.

(1) Project Paper Supplement

A Project Paper Supplement is not contemplated, nor is a Project Authorization Amendment as the changes to the project as a result of the Close-Out do not exceed that provided for in the original Authorization. Nevertheless, an Action Memorandum explaining the changes, as well as a revised Project Data Sheet to reflect the decreased level of planned funding and a shortened PACD, will be prepared and signed by the Acting Regional Director. The Regional Legal Advisor has been consulted and concurs with this approach.

(2) Amendments to Agreement(s)

The funds for this activity are obligated via a Project Agreement between RDO/SP and the GOK Ministry of Foreign Affairs. This ProAg will have to be amended to obligate the remaining \$120,000 and to reflect the shortened timeframe and accelerated implementation schedule.

(3) Contract Amendment(s)

The TA contract with BioSystems Analysis, Inc. to implement this sub-activity will need to be amended to include an additional \$120,000 and to reflect the accelerated implementation schedule and the revised oversight arrangements by USAID/Manila after closure of RDO/SP.

(4) Participant Training

There are no long-term participants under this sub-activity.

(5) Disposition of Project Commodities

Agreement needs to be reached between the contractor, the GOK, and RDO/SP regarding disposition of project commodities.

(6) Timetable

- Obtain agreement on post-closure oversight: February, 1994 (RDO/SP, USAID/Manila, and possibly G/RD/AGR);
- Amend ProAg to obligate additional funding and to reflect reduced objectives and revised oversight arrangements: April, 1994 (RDO/SP, USAID/Manila);
- Draft PIO/T amendment to provide additional funds and to reflect revised oversight arrangements after RDO/SP closure: May, 1994 (RDO/SP, USAID/Manila);
- Amend contract to provide additional funds and to show revised oversight arrangements: June, 1994 (RDO/SP, USAID/Manila/RCO).

b. PNG Phase II--FIA Institution Building

This activity, being implemented via a grant to FSP/PNG, assists the PNG Fishermen's Industry Association (FIA) to: 1) strengthen local medium-scale fishing operations so that they can be more competitive with large multi-national fishing operations; and 2) improve its ability to represent the local fishing industry in pressing government to make policy changes to improve the business climate for the industry. In addition, the assistance is intended to help FIA become a self-sustaining organization.

Thus far, about \$100,000 of a planned \$500,000 has been obligated to this activity. FIA has recruited a long-term advisor to assist with institution building, perform administrative

Ramifications of Early Termination

The acceleration of implementation of this sub-activity should not have any negative ramifications. Failure to complete the lagoon management study, however, could have image and developmental ramifications. The lagoon management study is a prototype for other atolls with similar pollution and over population problems. The U.S. Ambassador on a visit to the project site earlier this year noted its importance as a prototype for other nations in the region. In addition the U.S. has a long military history dating back to World War II when over a thousand U.S. Marines were killed in the Tarawa atoll. Cultural and economic ties to the U.S., which are very strong, may suffer in the event of early termination.

functions, and work with the industry in making representations to government re policy improvements.

The Mission proposes to reduce the scope of this activity, shorten the timeframe to May 30, 1995, and reduce the funding by \$260,000 to a new total of \$240,000.

(1) Project Paper Supplement

A Project Paper Supplement is not contemplated, nor is a Project Authorization Amendment as the changes to the project as a result of the Close-Out do not exceed that provided for in the original Authorization. Nevertheless, an Action Memorandum explaining the changes, as well as a revised Project Data Sheet to reflect the decreased level of planned funding and a shortened PACD, will be prepared and signed by the Acting Regional Director. The Regional Legal Advisor has been consulted and concurs with this approach.

(2) Amendments to Agreement(s)

A Memorandum of Cooperation was signed between RDO/SP and the GPNG's Office of International Development Assistance (OIDA) for this sub-activity. This MOC will have to be amended, showing the reduction of over 50% in planned resources, the shortened timeframe, and the reduced scope of activities.

(3) Cooperative Agreement Amendment

RDO/SP has a Cooperative Agreement (CA) with the Foundation for the Peoples of the South Pacific/Papua New Guinea (FSP/PNG) to implement this activity. This will have to be renegotiated and amended after the PP Supplement is completed. Additionally, FSP/PNG's sub-agreement with FIA will have to be amended, also to reflect reduced funding, scope of activities, and timeframe.

(4) Participant Training

There are no long-term participants under this sub-activity.

Ramifications of Early Termination

This activity is designed to empower the local fisherfolk to be more competitive with large multi-national fishing operations that have, until now, dominated the fishing industry in the region. It parallels the GPNG's desire to expand its indigenous fishing industry, so its early termination would not be viewed favorably.

FIA is a group of more than twenty entrepreneurs that own and operate small fishing-related enterprises in PNG. Over the past year, the members of the FIA have invested their time and personal resources at an estimated rate of over \$100,000 annually in activities to establish and strengthen FIA as a viable organization.

Expectations of continued support for the development of an indigenous fishing industry have also led local entrepreneurs to make substantial capital investments. On the strength of the longlining trials conducted under the first phase of assistance to PNG under PIMAR, and with the expectation of technical assistance from the FIA, three local owners have now outfitted their own boats with longline equipment. This investment could be marginalized if assistance to FIA stops before the international markets for high-value marine products can be established.

(5) Disposition of Project Commodities

Agreement needs to be reached among FSP/PNG, FIA, the GPNG, and RDO/SP regarding disposition of project commodities.

(6) Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila, and possibly G/RD/AGR);
- Notify GPNG/OIDA of reduced funding/timeframe: February 1994 (RDO/SP);
- Jointly develop revised workplan/budget: March 1994 (RDO/SP, USAID/Manila, FSP/PNG, FIA);
- Revise MOC with GPNG/OIDA: May 1994 (RDO/SP, RDO/SP/PNG, RLA, GPNG/OIDA);
- Complete PIO/T to obligate \$140,000 and to amend CA: May-June 1994 (RDO/SP, RDO/SP/PNG, RLA, USAID/Manila, and possibly G/RD/AGR);
- Amend CA and transfer project: June 1994 (RDO/SP, USAID/Manila/RCO, RLA, and possibly G/RD/AGR);

c. Tonga Longline

The purpose of the Tonga Longline sub-activity is to develop and demonstrate alternative fishing techniques for local fisherfolk to use on presently under-exploited seamounts (underwater mountains). This will relieve pressure on bottom-fishing sites, which are currently over-exploited.

Recent catch rates around seamounts under this sub-activity have been excellent--the highest recorded in the region. Initial testing phases are complete for longline equipment, and the Government of Tonga has requested additional tests with more sophisticated equipment to begin in March 1994. Tests on 28-foot vessels--the most common size available to indigenous fisherfolk in Tonga--are also planned. All tests will be completed by June 1994.

The sub-activity is scheduled to be completed by 12/31/94; the TA contractor has been put on an accelerated schedule so implementation of the bulk of activities should be completed by 7/31/94. However, as the sub-activity is financing one participant at the University of the South Pacific, it cannot be terminated early. The participant's training, and the sub-activity, therefore, will be completed by 12/31/94.

(1) Project Paper Supplement

A PP supplement will not be required.

(2) Amendments to Agreement(s)

As no changes are proposed for this sub-activity, the ProAg with the Government of Tonga for this activity will not have to be amended.

(3) Contract Amendment(s)

The TA contract with RDA, International to implement this sub-activity is fully funded. As no substantive changes are proposed for this sub-activity, a simple contract amendment or a letter from the RCO to the contractor will be required only to show the revised oversight arrangements after RDO/SP closure.

(4) Participant Training

One long-term participant training program is being funded by this sub-activity. The participant's training program is scheduled to be completed by 12/31/94.

(5) Disposition of Project Commodities

Agreement needs to be reached between the Government of Tonga, contractor, and RDO/SP regarding disposition of project commodities.

(6) Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila, and possibly G/RD/AGR);
- Amend contract or send letter to contractor to show revised oversight arrangements following closure of RDO/SP: June 1994 (USAID/Manila/RCO).

d. Tuvalu Bottomfishing

In contrast to the Tonga Longline sub-activity, the Tuvalu Bottomfishing sub-activity is designed to develop and demonstrate a resource management strategy for the sustainable exploitation of high value bottomfish. This activity is being funded through a ProAg with the Government of Tuvalu and is being implemented through a contract with RDA International, Inc. Both stock assessment and fishery trials are on schedule. Commercial trials are behind

Ramifications of Early Termination

As this sub-activity has regional replicability to the poor countries in the region with known seamounts, failure to complete the tests and disseminate the findings within the region would effectively prevent a technology with known salutary benefit to over-fished bottomfishing sites from being shared within the region.

The bulk of activities under this component should be completed before RDO/SP's closure date. As the planned completion date is being kept so a participant can complete his academic training, early termination is not foreseen. However, if it is terminated early, there would likely be some political repercussions as the activity's high profile was such that the Tongan Government attached one of its most senior staff to the project.

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schedule due to difficulty in locating a suitable charter boat. However, these trials have now begun and will be completed in early 1994. Information on the number and size of the various bottomfish species has been collected and is forming the basis of a resource management plan. Although the contract is funded through 1995, the bulk of activities can be accelerated in order to be completed by September 1994. However, as the sub-activity is financing two participants at the University of the South Pacific, it cannot be terminated early. The participant's training, and the sub-activity, therefore, will be completed by 6/30/95.

(1) Project Paper Supplement

As this activity should be completed by the end of FY 94, a separate PP Supplement for this sub-activity is not envisioned.

(2) Amendments to Agreement(s)

N/A.

(3) Contract Amendment(s)

Ramifications of Early Termination

The TA contract with RDA International, Inc. to implement this sub-activity is fully funded, but will need to be amended to reflect the accelerated implementation schedule, and the revised oversight

As this activity should be completed by the end of this FY, early termination is not contemplated. Thus, there should be no negative ramifications of early termination.

arrangements after closure of RDO/SP. As these are relatively minor changes, It might be possible to effect these changes by a letter from the Contracting Officer to the Contractor.

(4) Participant Training

There are two long-term participants under this sub-activity. Their training programs will be completed by 6/30/95, and the sub-activity can be terminated immediately thereafter.

(5) Disposition of Project Commodities

Agreement needs to be reached among the Government of Tuvalu, the contractor, and RDO/SP regarding disposition of project commodities.

(6) Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila);
- Amend contract or send letter to contractor to show accelerated implementation schedule and revised oversight arrangements following closure of RDO/SP: June 1994 (RDO/SP, USAID/Manila/RCO).

e. Cook Islands Black Pearl Oyster

The purpose of this activity is to increase the production of high value commercial black pearls from natural stocks whose yields can be enhanced by more intensive management practices. This activity is being funded through a ProAg with the Government of the Cook Islands and is being implemented through a contract with RDA International. Training in the Penrhyn Atoll has been initiated. Seventeen containers of pre-fab housing, office, hatchery, and laboratory construction materials have been shipped to the Penrhyn atoll while an additional ten containers remain in Rarotonga waiting for onward shipment. Several more containers of equipment have already been purchased and are in California awaiting shipment to the Cook Islands.

Two long-term U.S. advisors and dependents are housed on Penrhyn atoll. These advisors are completing lagoon monitoring and base line surveys as well as training Penrhyn islanders in pearl farm management. The transfer of pearl seeding, hatchery management and farming techniques to Penrhyn islanders and other interested islanders has recently started. However, the contractor's most important task lies ahead: the construction of the research station, installation of the extensive lab equipment, and the training of local staff in its operation. An estimated \$800,000 will be required to complete this sub-activity.

In order to terminate this component prior to the PACD, several activities must be reduced or canceled. This involves the cancellation of long-term training (not yet begun), suspension of workshops to transfer results, curtailment of training of Cook Islands personnel to operate the research station, and shortening of long-term advisor assignments.

(1) Project Paper Supplement

A Project Paper Supplement is not contemplated, nor is a Project Authorization Amendment as the changes to the project as a result of the Close-Out do not exceed that provided for in the original Authorization. Nevertheless, an Action Memorandum explaining the changes, as well as a revised Project Data Sheet to reflect the decreased level of planned funding and a shortened PACD, will be prepared and signed by the Acting Regional Director. The Regional Legal Advisor has been consulted and concurs with this approach.

(2) Amendments to Agreement(s)

Funding for this sub-activity is obligated via a Project Agreement between RDO/SP and the Government of the Cook Islands Ministry of Foreign Affairs. This ProAg will have to be amended to obligate an additional \$800,000 and to reflect the reduced objectives.

(3) Contract Amendment(s)

The TA contract with RDA International, Inc. to implement this sub-activity will need to be amended to provide an additional \$700,000 (\$100,000 was already obligated to this sub-

activity earlier this fiscal year) and to reflect the reduced schedule of activities and the revised oversight arrangements after RDO/SP closure.

(4) Participant Training

One long-term participant training program (project-financed) was planned under this sub-activity. However, with the announcement of RDO/SP's closure, this training program was canceled. The GOCI, however, has financed specialized training for its staff needed to operate the research station.

(5) Disposition of Project Commodities

The research station, equipment, and all other project commodities will be transferred to the Government of the Cook Islands at the termination of this sub-activity.

(6) Timetable

- Obtain agreement on post-closure oversight: February, 1994 (RDO/SP, USAID/Manila);
- Amend ProAg to obligate additional funding and to reflect reduced scale of activities and revised oversight arrangements; April, 1994 (RDO/SP, RLA);
- Issue PIO/T to provide additional funds to the RDA contract, to reflect reduced scale of activities, and revised oversight arrangements after RDO/SP closure; April 1994 (RDO/SP);
- Amend contract to provide additional funds and to reflect reduced scale of activities and revised oversight arrangements (RDO/SP, USAID/Manila/RCO, RDA).

f. Fiji Lami Jetty

The purpose of this sub-activity is to provide the indigenous fisherfolk of Fiji a place to become more competitive with expatriate and multinational fishing operations by providing

Ramifications of Early Termination

Reduced objectives and curtailed implementation of this activity would probably have only minimal negative long-term impact on black pearl farming in the Cook Islands.

However, failure to complete the Tongareva Research Station (now "housed" in 27 cargo containers at a cost to date of \$1.3 million) and to provide the training needed to operate it, could be profoundly embarrassing to the USG in general and USAID in particular.

This sub-activity is highly visible and has already received considerable support from the GOCI (sending staff off to training at its own expense, shipping of the containers to the project site, etc.). It has the personal support of the Cook Islands Prime Minister (one of the most vocal spokespersons for the South Pacific region), and has been touted on radio and television as a partial solution to resolving the country's external debt as well as providing much-needed employment on the outer atolls.

Furthermore, the sub-activity was used to leverage a \$3 million ADB loan package for pearl farmers; failure to complete the sub-activity might well result in loss of the loan, as well as the resulting economic returns to be derived from black pearl farming.

them with a site to discharge their catch as well as pick up supplies such as ice, fuel, oil, etc. Despite a number of delays related to resolution of various legal matters concerning the Lami Jetty site as well as obtaining acceptable construction bids, there is a great deal of anticipation and expectation for the jetty. Two contracts are anticipated for this sub-activity: one for construction of the jetty itself; another for minimal improvements to the land leading to the jetty.

ESF funding in the amount of \$900,000 was originally planned for this sub-activity. RDO/SP was informed in FY 93 that only \$600,000 of ESF would be provided. Accordingly, design specifications were modified.

Having worked out the technical (and legal) glitches, bids for the construction as well as the site improvement contracts were reviewed in early January 1994. Contracts should be signed in late January 1994, and all construction/improvement activities should be completed by the end of September 1994.

(1) Project Paper Supplement

As this activity should be completed by the time RDO/SP is closed, no changes to the existing PP are contemplated.

(2) Amendments to Agreement(s)

The MOC with Government of Fiji may need amending to reflect changes in financial oversight/administrative oversight once activity is completed. This will be discussed with the RLA in late January 1994.

Ramifications of Early Termination

Failure to complete this sub-activity will be damaging to both the USG's image and the developmental needs of Fiji. A fleet of some thirty vessels, several hundred fishermen, and a growing indigenous fishing industry expects to take full advantage of the jetty. These fishermen are not presently competitive with expatriate and multinational firms as they have no facilities to discharge their fish catches or to take on supplies of ice, fuel, oil, etc. Difficulties in signing the MOU, in setting up the lease arrangements and obtaining satisfactory bids delayed construction, but did not lower expectations on the part of the fishermen nor the Government of Fiji, which is especially keen on promoting economic options for ethnic Fijians.

(3) Cooperative Agreement Amendment

All funds needed to implement this activity have been obligated under a Cooperative Agreement (CA) with the Foundation for the Peoples of the South Pacific (FSP). An amendment may be required to reflect the change in oversight arrangements following the closure of RDO/SP.

(4) Participant Training

There are no long-term participants under this sub-activity.

(5) Disposition of Project Commodities

Agreement needs to be reached between FSP, the Government of Fiji, and RDO/SP regarding disposition of project commodities.

(6) Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila);
- Amend MOC with Government of Fiji (if required): March 1994 (RDO/SP, RLA);
- Amend CA (or send FSP a letter to this effect) showing revised oversight arrangements after RDO/SP closure: June 1994 (RDO/SP, USAID/Manila/RCO, FSP).

g. SPC Tuna and Billfish Assessment Program (TBAP)

This sub-activity supports SPC's ongoing Tuna and Billfish Assessment Program (TBAP), which is a regional effort to measure fish stocks using a tag-and-release program and related research and analysis. In this way, fish stocks can be measured and sustainable levels of exploitation determined. No additional funding is planned for this sub-activity; those funds that have been provided should be expended and accounted for by September 30, 1994.

(1) Project Paper Supplement

As this activity will be completed by 9/30/94, no PP Supplement is contemplated.

(2) Amendments to Agreement(s)

N/A.

(3) Contract Amendment(s)

N/A.

(4) Participant Training

There are no long-term participants under this sub-activity.

(5) Disposition of Project Commodities

As this is a grant-to the SPC, any project commodities procured under this grant are titled to the SPC and will remain with it after this sub-activity ends.

Ramifications of Early Termination

Although there are probably few negative developmental ramifications associated with early termination of this sub-activity, there would be some negative reaction, both among the regional governments as well as within the U.S. tuna industry, if it were terminated early. Support for the TBAP has been a long-term commitment of USAID that has enabled the SPC to carry out the highly critical stock research. This research promotes fisheries stability and the aims of the U.S. fishing interests in the region. SPC's information gathering also directly benefits the multilateral fisheries treaty between the U.S. and the South Pacific region.

(6) Timetable

- Obtain agreement on post-closure oversight: February, 1994 (RDO/SP, USAID/Manila)

h. SPC Regional Impact

This PIMAR sub-activity documents and disseminates the findings of the other PIMAR activities from among the countries in the region, so as to ensure replicability of these practices. This sub-activity was planned to be implemented relatively late in the life of PIMAR as there would not be any results to disseminate earlier.

A grant to the South Pacific Commission--planned for a total of \$480,000--was signed in FY 93. Thus far, \$100,000 has been obligated. The funds have been used to hire an information specialist to coordinate information dissemination activities. The SPC has initiated visits to tuna longline activities in Tonga and Tuvalu, as well as the lagoon management project in Kiribati. With the shortened timeframe, a number of planned activities will be reduced in scope or eliminated. Consequently, the total grant amount can be reduced by \$150,000, for a revised total grant amount of \$330,000. A total of \$230,000 in FY 94 DA funds will be required to fully fund this revised sub-activity.

(1) Project Paper Supplement

Consistent with Handbook 3, Chapter 13 guidance, changes to the PIMAR Project documentation may be made at the lowest level possible. Whether or not a PP Supplement is required will be determined after consultation with the Regional Legal Advisor. If it is necessary to modify the PP or project authorization, the Mission will follow the streamlined procedures outlined in Section I. D. of this Plan.

(2) Amendments to Agreement(s)

The grant agreement will be amended to reflect reduced funding, shortened timeframe, and changed oversight arrangements. The grant agreement amendment will also obligate the remaining funds (\$230,000) to be provided under the grant.

(3) Contract Amendment(s)

N/A.

(4) Participant Training

There are no long-term participants under this sub-activity.

(5) Disposition of Project Commodities

As this is a grant to the SPC, any project commodities procured under this grant are titled to the SPC and will remain with it after this sub-activity ends.

(6) Timetable

- Obtain agreement on post-closure oversight: February 1994 (RDO/SP, USAID/Manila);
- Notify SPC of reduced funding/timeframe: February 1994 (RDO/SP);
- Jointly develop revised workplan/budget: March 1994 (RDO/SP, SPC);
- Complete PIO/T to obligate \$230,000 and to amend grant agreement: May 1994 (RDO/SP);
- Amend grant agreement with SPC: June 1994 (RDO/SP, USAID/Manila/RCO, RLA, SPC);

2. FY 95 Actions

Three sub-activities and some participant training under the PIMAR project will be continued beyond close-out of RDO/SP and terminated in FY 1995. These sub-activities include:

- SPC Regional Impact;
- PNG Fishing Industry Association Institution Building; and
- Cook Islands Black Pearl

Project management responsibilities for these activities will be transferred to USAID/Manila in mid-late FY 94. Major functions associated with these responsibilities in FY 95 are listed below. As they are similar in scope, they have not been repeated for each individual sub-activity listed above.

a. Technical Oversight Arrangements/Site Visit(s)

USAID/Manila's PIMAR Project Officer along with a representative of the Controller's Office should conduct two site visits (November 1994 and May 1995) to provide administrative, financial and technical oversight of these sub-activities.

Ramifications of Early Termination

This activity is a grant to a Public International Organization (PIO). In addition to the appearance that the USG is reneging on a commitment to a PIO, the impact of failure to complete this sub-activity as planned would be developmental. Nearly \$10 million has been spent thus far developing various methodologies and technologies for small scale fisherfolk to increase income. If dissemination of these innovations is curtailed, then the potential impact of this investment would be limited to the few countries in which PIMAR is currently active. Thus, the regional impact of PIMAR would be lost.

b. Administrative Oversight Arrangements/Site Visit(s)

See above.

c. Financial Management/Final Voucher Submission/Payment

USAID/Manila will be responsible for preparing for financial close-out and all residual disbursement actions including final vouchers (up to nine months after the PACD) in accordance with HB 23, Chapter 14.

d. Evaluation

An optional completion/terminal evaluation of the entire PIMAR project, or selected PIMAR sub-activities could be conducted by USAID/Manila during mid-1995, if deemed appropriate. Funding for evaluations is not included in the close-out funds requested in this Plan, however.

e. Project Assistance Completion Report

The PACR should be prepared by USAID/Manila's PIMAR Project Officer within six (6) months of the revised PACD. A first draft of this report, covering the period up to transfer, will be prepared by RDO/SP in mid-1994.

f. Other/Issues

N/A.

IV. Other USAID-Funded Activities in the South Pacific

A. USAID/W Central Projects

1. G/RD Bureau Activities

a. Family Planning Services Expansions and Technical Support (SEATS, 936-3048)

Country/Region: PNG

Total Core Funding (latest information): \$1,825,000

Primary Contractor: John Snow, Inc.

Major Recipients: Health & family planning trainers & managers; GPNG/MOH; women

G/RD Office: G/RD/POP

Impact of RDO/SP Closure: Because of the difficulty of operating in PNG, the RDO/SP/PNG office provides a basic level of logistical support to such regional activities. In addition, the office is called upon to liaise with the involved GPNG ministries as well as with the GPNG Office of International Development Assistance. Closure of RDO/SP and RDO/SP/PNG will mean that the implementing organizations will have to conduct many of these activities on their own, or will have to work through the US Embassy in Port Moresby.

Comment: Ends in FY 94.

b. Training in Reproductive Health (936-3045)

Country/Region: PNG

Total Core Funding (latest information): \$225,000

Primary Contractor: JHPEIGO

Major Recipient: Medical, Nursing, and Midwifery School

G/RD Office: G/RD/POP

Impact of RDO/SP Closure: Because of the difficulty of operating in PNG, the RDO/SP/PNG office provides a basic level of logistical support to such regional activities. In addition, the office is called upon to liaise with the involved GPNG ministries as well as with the GPNG Office of International Development Assistance. Closure of RDO/SP and RDO/SP/PNG will mean that the implementing organizations will have to conduct many of these activities on their own, or will have to work through the US Embassy in Port Moresby.

Comment: Ends in FY 94.

c. Vitamin A for Health (936-5116)

Country/Region: PNG
 Total Core Funding (latest information): \$450,000
 Primary Contractor: Johns Hopkins University
 Major Recipient: Institute of Medical Research, PNG
 G/RD Office: G/RD/NUT

Impact of RDO/SP Closure: Because of the difficulty of operating in PNG, the RDO/SP/PNG office provides a basic level of logistical support to such regional activities. In addition, the office is called upon to liaise with the involved GPNG ministries as well as with the GPNG Office of International Development Assistance. Closure of RDO/SP and RDO/SP/PNG will mean that the implementing organizations will have to conduct many of these activities on their own, or will have to work through the US Embassy in Port Moresby.

d. Malaria Vaccine Development Program (936-6001)

Country/Region: PNG
 Total Core Funding (latest information): \$2,005,000
 Primary Grantee: Institute of Medical Research, PNG
 Major Recipients: Persons living in malaria endemic areas (58% of world population);
 Institute of Medical Research, PNG
 G/RD Office: G/RD/H/MVDP

Impact of RDO/SP Closure: Please see Section II.B. above.

2. FDC Bureau Activities

a. Melanesian Ecoforestry Program

Country/Region: Papua New Guinea/Regional
 Total Core Funding (latest information): \$800,000
 Primary Grantee: Foundation for the Peoples of the South Pacific (FSP)
 Major Recipients: Small private owners of forested lands in PNG.
 FDC Office: Matching Grant Activity

Impact of RDO/SP Closure: Minimal. Activity is being implemented with virtually no assistance/oversight by RDO/SP or RDO/SP/PNG. This is due in part to the fact that FSP has an office located in Port Moresby (FSP/PNG).

b. Project Concern International

FY 94

Country/Region: Papua New Guinea
 Total Core Funding (latest information): \$859,416
 Primary Grantee: Project Concern International
 Major Recipients: N/A (Child Survival Activity)
 FDC Office: N/A

Impact of RDO/SP Closure: None. The project is fully managed through the PCI office in PNG, and requires no management from RDO/SP.

c. World Vision & Relief Agency

FY 94

Country/Region: Papua New Guinea
 Total Core Funding (latest information): \$510,735
 Primary Grantee: World Vision & Relief Agency
 Major Recipients: N/A (Child Survival Activity)
 FDC Office: N/A

Impact of RDO/SP Closure: None. WVRA maintains a PNG office; USAID management is provided directly from FDC.

d. American National Red Cross

FY 94

Country/Region: Papua New Guinea
 Total Core Funding (latest information): \$50,000
 Primary Grantee: American National Red Cross
 Major Recipients: N/A (Matching Grant Activity)
 FDC Office: N/A

Impact of RDO/SP Closure: None. Management is provided directly by FDC.

e. PSC OFDA

Problems
 — How to continue this
 Who funds, who manages

Country/Region: Regional
 Total Core Funding (latest information): \$100,000
 Primary Contractor: Joanne Burke (PSC)
 Major Recipients: US Embassies and Peace Corps Offices in the South Pacific region; Pacific island countries.
 FDC Office: OFDA

Impact of RDO/SP Closure: PSC provides training in PMP (prevention, mitigation, and preparedness) to the region, conducts on-site assessments of disasters, and coordinates USG (including USCINCPAC) disaster relief and mitigation activities in cooperation with other

donors in the area. If the USG is to be involved in disaster relief after the closure of RDO/SP, it would presumably fall upon the Embassies in the region to administer.

B. Other USAID Activities

1. US-Asia Environmental Partnership

A small amount of assistance comes to the South Pacific region via the United States-Asia Environmental Partnership (US-AEP), a coalition of Asia-Pacific and American businesses, community groups and governmental institutions. The coalition enhances environmental protection and promotes sustainable development in Asia and Pacific by mobilizing US environmental technology, expertise and financial resources. USAID is the lead agency for the US-AEP program, which operates as a separate subcommittee under the guidance of the Environmental Trade Working Group of the Trade Promotion Coordinating Committee, co-chaired by the US Department of Commerce and USAID.

a. Training/Fellowships

Together with The Asia Foundation (TAF), RDO/SP has been very active in promoting, selecting, and supporting two-way training opportunities and fellowships under the Environmental Fellowships component of US-AEP at the US Environmental Training Institute (USETI). These have been particularly in the areas of environmental impact assessments, environmental planning, and environmental economics. The response to date for these training opportunities has highlighted the critical need for such training in the region.

The ability to continue such training after RDO/SP's closure is questionable. Even when located in the region, the Mission has found it difficult to operate in a mass mailing-response mode. Yet, this level of contact is considered essential if high-quality candidates are to be selected, and appropriate training courses are to be pursued. Experience has shown that in this region the written word is not sufficient to crystallize action. A great deal depends on developing informal networks based on personal contacts.

b. Biodiversity Conservation Network

Given the tremendous terrestrial and marine biodiversity in the South Pacific region, the Mission has been particularly active in promoting grant opportunities available through the Biodiversity Conservation Network (BCN), a component of the US-AEP. Assistance has been provided to promote, screen, and assist potential grant applicants to improve the quality of their proposals. As is the case with training, wide dissemination of written notification with detailed instructions for applications, while necessary, is generally insufficient to generate high-quality proposals.

c. Development of Commercial/Trade Leads

RDO/SP has not been very active in this area of US-AEP, although there are occasional opportunities where interest has been expressed. Unless arrangements can be made to have someone located in the region to promote these commercial and trade leads, the likelihood of expanding in this area is minimal.

2. Biodiversity Support Program

The Biodiversity Support Program (BSP) is a USAID-funded consortium of the World Wildlife Fund (WWF), The Nature Conservancy (TNC), and the World Resources Institute (WRI). The mission of BSP is to conserve biological diversity while enhancing human livelihoods in developing countries through better conservation and use of biological resources. The main clients of BSP have been USAID-assisted countries and, in particular, relevant USAID projects. For example, BSP conducted community based conservation monitoring and evaluation workshops for our PEP project. Much of its support to the region has been either project-based or in support of regional efforts that are in line with this Mission's environmental objectives. Most of the BSP requests for assistance under its small grants program have been generated with Mission assistance.

In the absence of the Mission and USAID project activity, it is highly likely that the level of BSP involvement will decline in the region. This is particularly unfortunate in the case of PNG where a growing environmentally-oriented NGO movement is based on tropical forestry and land tenure issues.

C. South Pacific Fisheries Treaty Program

RDO/SP in general and its Fisheries Advisor in particular has played a critical role in the execution of the South Pacific Fisheries Treaty Program. Although responsibility for this will be shifted back to USAID/W (which will in turn shift responsibility for the Program to the State Department), the specific details of this transfer need to be clearly spelled out for all parties concerned. Given the highly complex nature of the program, the need to liaise with the sixteen governments who are parties to the Treaty, and the need to ensure that documentation is prepared in accordance with USAID regulations to ensure the annual cash transfers are made on time, arrangements need to be made so that the RDO/SP Fisheries Advisor has the opportunity to train an individual in the US Embassy (either Suva or Port Moresby) to take responsibility for the Program.

Please see Section II. C. for more details.

D. Small Project Assistance

RDO/SP signs MOUs with Peace Corps Offices in the region and tracks to a limited extent the funding for these projects. The Mission also serves as the focal point for information requests from the Peace Corps field office on the SPA program and its regulations. It is our understanding that these responsibilities will be shifted to USAID/W after closure of RDO/SP.

E. Other Multilateral Organizations

1. UNDP/ADB/IBRD/IMF

While RDO/SP coordinates with UNDP in general and specifically in the case of certain projects, there are no co-financing arrangements that will be affected by the closure. The Asia Development Bank does have links with USAID's program (PIMAR/Cook Islands and potentially, PNG Child Survival), and this plan addresses these. RDO/SP has little to do with the IBRD and IMF for most of the region, except in a very general sense. The RDO/SP/PNG Assistant Director represents the USG at the annual Consultative Group meeting for PNG, however.

2. South Pacific Commission

Per State 379568, USG assistance will continue to the South Pacific Commission:

"...continuation of U.S. membership in such organizations such as the South Pacific Commission (SPC) and the South Pacific Regional Environmental Program (SPREP) and observer status in the Forum Secretariat will not be affected by the closing of the RSM [sic]. Core funding for SPC and SPREP will continue to come from accounts managed by the State Department (IO). Extra budgetary funding will depend upon case by case decisions made as part of the post close out process."

3. South Pacific Regional Environmental Programme

See paragraph IV.D.2. above.

4. Forum Secretariat

See paragraph IV.D.2. above.

5. Donor Coordination/Consultations

RDO/SP participates in all donor coordination activities in the region, and is represented in most regional organization fora wherein specific sectoral activities/strategies are discussed. It is through these methods, as well as working-level contacts made among donor technical staff in the field, that much coordination of activities is achieved.

RDO/SP has discussed the close-out decision with most bilateral and multilateral donor organizations in the region, although only in general terms. Upon approval of the Plan, such efforts will be intensified to ensure that expressions of interest on the part of some donors to continue selected activities in RDO/SP's portfolio come to fruition.

V. Potential USAID-Funded Activities Beyond Closure

1. General

Guidance cables (93 State 384713 and 94 State 004467) addressing the closure of RDO/SP have acknowledged the need for continued USAID assistance to countries in the South Pacific, particularly PNG, after closure of the Mission. Sectors that have been mentioned as possibilities for continued support include environment, family planning/health, and HIV-AIDS Prevention. Such assistance would probably be implemented either by NGOs or through existing central and regional USAID projects.

Given the tacit approval to continue some carefully selected activities in the South Pacific and the continued need for such assistance, RDO/SP proposes that a modest level of program activities continue beyond FY 95. Such activities could be run by either G/RD or an Asia regional Mission and would respond to the needs described below. RDO/SP's regional projects, such as PEP, RFP, and RAP, may provide convenient points of departure for continued assistance in the region.

a. Environment

The continuing need for assistance in protecting the terrestrial and marine resources in the region is well established. Several mechanisms exist to provide such assistance.

The U.S. is an acknowledged leader in providing environmental assistance, particularly through NGOs. An example is the World Wildlife Fund, which, both directly (with initial funding from the Forest for the Future Initiative) and through the Biodiversity Support Program (BSP), has been providing such assistance to the region; it could easily continue to do so in the future. However, without a USAID Mission to assist with communications, the NGOs would have to liaise directly with the universities, individuals, and environmental units within the governments in the region.

In order to ensure that the region continues to have access to grant and training opportunities such as those provided through US-AEP and its component programs (e.g., the BCN), an individual attached to a local NGO to serve as the locus of communication between the region and Washington would be invaluable. Such an individual could work with regional Governments, NGOs, and the private sector to ensure that training opportunities are adequately advertised as well as assist in selecting potential training candidates and provide the follow-up training support services needed.

In addition, the individual could provide BCN logistical support such as advertising BCN announcements and fielding applications and information requests. Also with a small consultancy budget to tap local expertise assembled at the University of the South Pacific, grant proposals could be "regionally" reviewed before being submitted.

b. Health/Family Planning

There is also a need for continued family planning assistance. In PNG, for example, women give birth, on average, to more than five living children, while wanting to have only three. The high birth rate contributes to the exceptionally high infant mortality rate--72 per 1000 live births. The high birth rate also contributes directly to the high maternal mortality rate. UNICEF, in their recent report, CRISIS IN PARADISE -- The State of Papua New Guinea's Children, noted that PNG has the highest rate of maternal mortality in the entire East Asia/Pacific region, surpassing the rates in Laos, Cambodia, and Myanmar by substantial margins. Complications arising from pregnancy and village birth are the dominant causes of death of women between the ages of 15 and 45 in PNG.

USAID family planning assistance, through the SOMARC project, has been strikingly successful in PNG and the region. Sales of "our" Protector brand condoms have increased quickly to the point that the Protector is the biggest seller on the PNG market, where competition from the Protector brand has forced prices of competing brands to fall. In PNG, SOMARC has just negotiated approval for social marketing of oral contraceptives as well. Given the minimal amount of oversight required for SOMARC activities in PNG, this could be a model for such assistance to PNG and the South Pacific region in the future.

c. HIV-AIDS Prevention

There is also a need for continued assistance in support of AIDS prevention activities. The problem is most serious in PNG, where 153 cases of HIV have been reported to date, including 57 AIDS cases. The high ratio of AIDS cases to HIV cases strongly suggests that many current HIV cases are unreported; the actual number of HIV positive individuals is estimated by the World Health Organization to be between 10,000 and 30,000. The documented cases are split evenly between men and women, suggesting an epidemic of the "African model", mainly spread heterosexually. In the smaller countries in the South Pacific, with their correspondingly smaller economies, even a few cases of AIDS have the potential of bankrupting their limited resources available for health care. Future HIV-AIDS activities could be provided through a project such as AIDSCAP.

VI. Administrative Close-Out

[N.B.: The following should be read in conjunction with the TDY reports completed by USAID/Manila team that visited Suva on TDY January 19-February 1, 1994.]

A. Overview

Administrative close-out of RDO/SP and RDO/SP/PNG will be carefully coordinated to ensure that sufficient USDH, USPSC, TCNPSC, and FSNPSC staff remain to effect an orderly phase-down and close-out of all Mission operations, and that all leases, contracts, and other administrative details are dispensed with by the end of the fiscal year.

Because of the relatively late date in the fiscal year to effect the number of actions required to carry out close-out actions, as well as a loss of nearly 50% of RDO/SP's clerical/administrative support staff since the announcement of RDO/SP's closure, the Mission proposes keeping the bulk of the remaining clerical staff until the fourth quarter FY 94. Other staff, for instance, those in the Controller's office, might be made redundant at an earlier date as their functions are transferred to USAID/Manila.

In order to stem the tide of rapid staff departures, RDO/SP, in collaboration with the rest of the US Mission in Fiji, set about to include a severance plan in its FSN Compensation Package, which until early January did not exist. A severance plan was not included in the current FSN Compensation Package because the two comparator firms used when the FSN Compensation Package was devised did not, at that time, have severance packages. However, as they now do, and as other multilateral donor organizations queried indicated that they too had severance packages, the US Mission submitted to FSN/PER (State Department) a proposal to include a severance plan in its FSN Compensation Package. As of this writing, the Mission has been informally advised that the proposed severance plan was favorably reviewed (although the terms of the plan are not known), and that interagency agreement for the plan is the next step in the process. The formal approval and inclusion of the plan into the FSN Compensation Package was done by all affected USG agencies at post on January 20, 1994 and made retroactive to the pay period beginning January 9, 1994.

With an approved severance plan, RDO/SP is confident that it will be able to retain most of its remaining staff until closure or until such time as positions are made redundant.

In addition to the severance plan, several other initiatives have been undertaken to improve employee morale. One such initiative begun early this year is a pledge made by Mission management that it will do its best so that, come October 1, 1994, all FSNPSC employees currently on RDO/SP's rolls will either have a new job to report to, or will have the skills necessary to get a new job. In this regard, a Mission-wide effort is being undertaken to ensure that all FSNPSCs have up-to-date resumes that reflect the employees' true skills, that the resumes are compiled according to skill category and sent to government, donor, and private sector organizations on a regular basis to actively promote their future employment, and that

they are trained via mock interviews to present themselves in the best possible fashion. By taking this pledge, RDO/SP has turned a potential source of poor morale into a positive exercise where employees continue to develop skills and exhibit flexibility. These characteristics can then be brought to future jobs. Perhaps most important for the employees' morale is that RDO/SP has expressed true concern for their plight, and that it is taking positive steps to ensure the employees are equipped with the skills to get good-paying jobs after RDO/SP closes.

Another initiative--though hardly new--is to use the post's awards program more aggressively to recognize employees who have demonstrated exceptional flexibility and service under difficult circumstances. Although originally intended only for FSNPSCs, the Mission is proposing to expand this program to include locally-hired USPSCs (as these USPSCs would be ineligible to participate in the post severance plan). Normally, locally-hired USPSCs are not allowed to participate in post awards programs, but given the special circumstances facing RDO/SP during closure, the Mission proposes to undertake the consultation process with FA/PPE needed to allow locally-hired USPSCs to participate in the post awards program. Once approved, individual PSCs will be amended accordingly, and these employees will be eligible to participate in the program.

In October 1993, before RDO/SP's closure was announced, RDO/SP had a total of 50 employees. The Mission's staffing projections for the close-out plan are as follows:

Table IV: Staffing Levels - Actual and Planned

Category	as of 10/93 (actual)	as of 1/94 (actual)	as of 7/94 (planned)	as of 9/15/94 (planned)
USDH	7	6	6	4
USPSC	9	7	6	3
TCNPSC	2	2	2	0
FSNPSC	<u>32</u>	<u>26</u>	<u>16</u>	<u>6</u>
Grand Total	50	41	30	13

Following are other administrative issues that will be dealt with during closure operations. The Mission will work with USAID/Manila to ensure that these issues conform with the close-out checklists provided by USAID/W.

B. Personnel

1. USDH

a. Suva

There are five USDH personnel in Suva:

- Program Officer (formerly Chief of the Business Development and Environment Office, now serving as the Acting Regional Director);
- Program Officer;
- Controller;
- Agricultural Development Officer; and
- Health Officer

How quickly USDH staff depart post will depend on a number of factors, including:

- criticality of position to program close-out process;
- identification/timing of onward assignments;
- ability to work out mutually-agreeable transfer date with "gaining" Mission/Office.

b. Papua New Guinea

RDO/SP/PNG has one USDH position (Program Officer) which serves as the Assistant Director to RDO/SP. After consultation with USAID/Manila, the recommendation is that this position be eliminated early in the third quarter FY 94, or whenever the Assistant Director can secure an onward assignment.

2. PSCs

a. Suva

The Mission has seven (7) USPSCs, two (2) TCNPSCs and twenty-three (23) FSNs. Nine PSC positions have been determined essential through September 30, 1994, while other positions will be phased out during the third and fourth quarters of FY94. The speed at which positions can be made redundant will depend upon how quickly transfer of project oversight responsibilities can be effected, as well as the criticality of the position to the overall close-out process.

b. Port Moresby

Three (3) FSNs comprise the staff in this branch office in addition to the USDH. Maintaining a staff of at least two FSNs until the closure of the office is considered essential, although one FSN and the GSO/Driver could possibly be detailed to the U.S. Embassy if the USDH

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Assistant Director were to be reassigned. These employees would provide needed liaison services to RDO/SP and USAID/Manila officers during the transition period.

3. Steps Required for Reduction of Personnel

a. USDH

- COARS: To be submitted six months prior to departure from post;
- Packouts: HHE, UAB, POV
- Check-out list to be completed
- Travel Authorization issued
- Travel Arrangements made/tickets issued and paid for;
- Departure Notice cabled to AID/W

b. PSCs

- Termination notices: 15 days minimum notice must be given to all PSC employees. The Mission proposes to issue all notices of termination o/a March 31, 1994, although the dates of actual termination will depend upon the criticality of the position to close-out operations.

(1) USPSCs (US-Hire) (2 contractors in Suva)

- Packouts: HHE, UAB, POV
- Check-out list to be completed
- Travel Authorization issued
- Travel Arrangements made/tickets issued and paid for;
- Departure

(2) USPSCs (Resident-Hire) (5 contractors in Suva)

- Other than termination notices, contracts should be amended to authorize awards as appropriate. No other actions required.

(3) TCNPSCs (Offshore-Hire) (2 contractors in Suva)

- Packouts: HHE, UAB, POV
- Check-out lists to be completed
- Travel Authorizations issued
- Travel Arrangements made/tickets issued and paid for;
- Departure

(4) FSNPSCs (Resident-Hire) (23 contractors in Suva; 3 contractors in PNG)

- Assist in securing other employment
- Recommendations by supervisors for awards (March, September 1994)

c. Institutional Contractors

(1) Local

Termination of the current manpower contract for cleaning and maintenance services will be done by the RDO/SP Administrative Office.

(2) US

Termination of and Amendments to US institutional contracts and grants will be the responsibility of the Regional Contracting Officer located at USAID/Manila.

C. Real Property/Property Leases

RDO/SP owns no real property in Fiji or Papua New Guinea. Residences, offices, and warehouse space are all leased.

1. Residential Leases

Letters have been sent to all Suva landlords informing them of the September 30, 1994 closeout date. Leases will be terminated in the following descending order beginning in the third quarter FY94 and ending fourth quarter FY94. As of September 1, 1994 all remaining personnel should be in hotel accommodations to allow for packouts, removal of NXP and restoration of premises to original state prior to rental.

Property/Location	Proposed Termination Date
42 Ragg Avenue, Suva	2nd Quarter
Gohil Apt, Suva	Early 3rd Quarter
227 Ratu Sukuna Road, Suva	Early 4th Quarter
69 Queens Road, Suva	Early 4th Quarter
31 Togonivalu Road, Suva	Early 4th Quarter
83 Princes Road, Suva	Mid-4th Quarter
85 Navurevure, Suva	Mid-4th Quarter
27 Wairua Road, Suva	4th Quarter
197 Princes Road, Suva	4th Quarter
Ela Beach Apt, Port Moresby	3rd Quarter

2. Office/Warehouse Leases

Letters have been sent to the landlords of office complexes in Suva only regarding closure of USAID's operations. Letters for PNG landlords (office and residence) will be done by January 31, 1994. If it can be accomplished inexpensively, consolidation of office space may be done as staffing levels in Suva decrease. However, given the projected need for office space, existing computer/communications linkages (e.g., LAN, e-mail), warehouse space for NXP/EXP prior to sales, etc., until the last quarter of the fiscal year, there may not be significant economies in consolidating office space. In any event, the planned office/warehouse lease termination schedule is as follows:

Property/Location	Proposed Termination Date
Main USAID Office, Suva	4th Quarter
Admin/HPN/Warehouse, Suva	4th Quarter
PNG Office, PNG	4th Quarter

D. Non-expendable Property (NXP)

RDO/SP's non-expendable property (NXP) inventory is valued at an estimated \$930,000. In accordance with A.I.D. Handbook 23, the Mission will carry out office inventories by February 28, 1994 and residential inventories by June 30, 1994. A cable to FA/OMS indicating new, boxed NXP available for redistribution to other Missions will be sent immediately following approval of the Plan. After responses have been received from interested Missions, remaining NXP will be made available for transfer to other USG agencies at fair market value. For property not disposed of through either of these two methods, sealed bid sales/auctions will be held. The Mission recommends one be held by June 30, 1994, and a second o/a September 15, 1994. Any NXP remaining after the last sale/auction date will be donated/destroyed or abandoned in accordance with A.I.D. disposal regulations.

For Port Moresby, the Embassy Administrative Officer has agreed to assist with the disposal of NXP as it would be very difficult to run from USAID/Suva. Administration of the disposal of NXP for institutional contractors will be the responsibility of designated project officers and/or contractors.

E. Expendable Property (EXP)

Inventory of EXP will be taken by July 30, 1994 and disposal conducted in accordance with AID Handbook 23 by September 15, 1994.

F. Vehicles

1. Suva

USAID has two passenger vehicles and one twincab (2-wheel drive) pickup truck. One passenger vehicle will be disposed of by a sealed bid sale in the third quarter FY94. The remaining passenger vehicle and truck will be disposed of by sealed bid sale in the final quarter of FY94 prior to the departure of the last USDH from post.

2. Papua New Guinea

A new vehicle was purchased for RDO/SP/PNG at the end of FY93. This vehicle will be sold by sealed bid sale during the final quarter FY94, prior to the departure of the Assistant Director.

G. Security Equipment (IG/SEC)

- Hand-held radios: to be returned to IG/SEC via unclassified/registered pouch on/about September 15, 1994;
- Base Station: equipment to be returned to IG/SEC along with hand-held radios;
- Metal Detector device: guidance to be requested from IG/SEC on disposal;
- Security Door: guidance to be requested from IG/SEC on disposal of this item.

H. ADP Equipment and Software

Automatic data processing (ADP) equipment and software will require special handling and disposition. Disposition will be done in accordance with guidance obtained from IRM.

I. Communications and Records Disposition (Fiji and PNG)

Disposition of C&R records will be effected in similar fashion for both RDO/SP and RDO/SP/PNG, i.e., they will both be closed out in accordance with the provisions contained in Handbook 21, Part II, Section 6.C.5.b (pages 6-12) and Appendix 6.B. Assistance to review/retire files may be provided to RDO/SP/PNG by RDO/SP if the existing staff are unable to handle the volume of material needing attention.

However, there will be a difference in the way the different types of files are handled. C&R for general Mission operations will primarily be sent/retired to USAID/W, whereas project files will be sent to USAID/Manila (in turn, USAID/Manila will be responsible for sending/retiring the files to USAID/W once the projects are completed).

Each division within RDO/SP (including RDO/SP/PNG) will be responsible for closing out communications and records (C&R) in its custody. The Mission's Administrative Office will issue general guidance and will consolidate shelf lists and notifications of retirement of

inactive files for submission to USAID/W and/or USAID/Manila. The time-based schedule for the close-out of unclassified (Mission has no classified files) communications is as follows:

- RDO/SP's Administrative Office issues instructions to Mission offices on when and how to begin C&R disposition (by March 1, 1994);
- Mission offices review files in their custody to purge all working materials from official files and to divide official files into active (FY 92-94) and those to be retired (by April 1, 1994);
- Responsible offices will box, label and prepare notifications of Retirement of Inactive Files (AID 5-45) for inactive files which will be pouched to AID/Washington Records Depository (by May 1, 1994); and
- Responsible offices will box, label and prepare shelf lists for active files to be airfreighted to USAID/Manila (NLT September 15, 1994).⁷

J. Financial Management

1. OE

Mission has received OE funds for FY 94 in the amount of \$690,000 to date. Additional obligations, other than mandatory and recurring obligations, will be required primarily for expenses generated by the RDO/SP close-out. It is estimated that approximately \$1,470,000 will be necessary to fund Mission requirements through FY 94. This amount may vary depending upon the cost of the severance pay plan approved for inclusion in the local compensation plan.

Following are the unliquidated obligations, by fiscal year, as of January 12, 1994, currently on Mission financial records:

Fiscal Year	No. of Obligations	Amount
1990	4	\$17,100
1991	3	3,400
1992	7	19,800
1993	104	305,100
1994	67	223,600

⁷ Timing of shipment of individual project files depends on timing of transfer; once projects are transferred, files will be shipped.

Liquidation of these obligations will continue to be processed by RDO/SP until financial responsibility is transferred to Manila.

2. Program

RDO/SP currently has eight active projects plus PD&S funds (Table V). Several other activities exist requiring liquidation (i.e., inactive projects with no further activity) or which should be terminated prior to RDO/SP closure (PACDs between now and end FY 94). RDO/SP financial management activities will be closed out in accordance with Chapter 13, AID Handbook 23, per the USAID/W checklist provided to assist in close-out actions.

Table V: Active Projects (as of 12/31/93)

Project Title	Project Number	Amount Obligated	Unliquidated Obligation	Date Started	Original Completion Date	Revised Completion Date
PD&S	499-0000.79	1,490,000	353,000	7/12/90	9/30/94	9/30/94
MARC	879-0018	3,282,650	1,622,000	3/28/91	9/30/97	9/30/94
MI&VF	86-6001.89	2,005,000	845,000	/ /	3/31/95	9/30/94
CSSP	879-0017	6,407,000	1,523,000	9/28/89	8/31/97	3/31/95
RFP	879-0019	3,300,279	1,446,000	7/18/90	9/30/95	9/30/95
PIMAR	879-0020	9,571,430	2,634,000	7/13/90	9/30/95	6/30/95
RAP	879-0022	2,500,160	1,338,000	9/15/90	9/30/95	9/30/95
PEP	879-0023	2,342,508	1,236,000	9/01/91	9/30/95	9/30/95
CAD	879-0025	3,089,680	2,080,000	12/19/91	12/31/96	6/30/96

Following the visit of the USAID/Manila team to Suva, it was decided to recommend that financial record keeping for all RDO/SP projects, both those terminating in FY 1994 and those continuing into FY 1995, be transferred to USAID/Manila beginning April 1, 1994. RDO/SP will continue to certify and administratively clear all payments through June 30, 1994. On July 1, 1994 USAID/Manila will assume full financial responsibility for all RDO/SP projects. However, RDO/SP will continue to provide necessary administrative clearances for those projects terminating in FY 1994. The RDO/SP Chief Accountant will travel to Manila for about two weeks in both early April and early July 1994 to assist with the transfer of RDO/SP MACS financial records to Manila. USAID Manila will manage the RDO/SP OE account once the Controller departs post.

:
:
: Jay Nussbaum@ASIA.PD@AIDW
Steve Ryner@FA.B@AIDW, Steve Malinowski@FA.B@AIDW
Marcus Rarick@FA.B@AIDW
om: Melita Yearwood@FA.B@aidw
bje: South Pacific Close-out
te: Wednesday, February 9, 1994 10:55:14 EST
tach:
rtify: N
rwarded by:

Issues for meeting ...

The cost of \$1.904 million needed to implement the close-out plan doesn't include the cost of the final evaluations. Has a decision been made as to whether or not evaluations will be conducted for those projects ending in FY 94? If so, is RDO/SP leaving the evaluation process up to USAID/Manila to conduct? What are the costs involved and where will the funds come from?

For administrative close-out purposes, it is recommended that one FSN advisor position and two technical project advisory positions be continued for up to one year beyond closure, as support for those activities going into FY 95. The funds necessary for close-out purposes do not include costs for these positions.

What is the cost involved?

Although the necessity of funding an advisor position is mentioned, there is no mention of funding for the two technical project advisory positions.

Why is that?

Why can't USAID/Manila perform the necessary work for these activities within existing staffing levels?

Is there any reason why TDYs can't provide the necessary services for these activities?

As of 1/24, there was a total pipeline of \$12,448,000. What does the Mission plan to do about it? Why can't the funds required for close-out purposes come from this amount? Where does the Mission intend to get the \$1.904 million for close-out costs from?



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT/PHILIPPINES

ORIGINATOR'S FAX NOS.:

<input type="checkbox"/> O&E	632/521-8741	<input type="checkbox"/> OVC	632/521-5244
<input type="checkbox"/> O&T	632/521-5241	<input type="checkbox"/> ONRAD	632/522-2512
<input type="checkbox"/> O&C	632/521-5372	<input type="checkbox"/> EXO	632/521-5370
<input checked="" type="checkbox"/> CSO	632/522-4337	<input type="checkbox"/> DRM	632/521-8762
<input type="checkbox"/> OPE	632/521-9325		

OFFICIAL

TO: LARRY BYRNES, AA/M FAX NO. : (202)647-4832
 ADDRESS: AID/WASHINGTON PHONE NO. : _____
 SENDER: Neil C. Edin *WEdin* OFFICE: ORP PHONE NO. : (632)522-4411
 CLEARANCES: none
 AUTHORIZED BY: Neil C. Edin *WEdin* DATE : 02/04/94 PAGES (Including Cover) : 1

The E-MAIL FIJI TRIP REPORT FORMAT was messed up yesterday. I'm sending this again by fax for your possible review. A map of Fiji's regional coverage is also attached.

Note: Fiji USAID regional program covers eleven (11) countries in the South Pacific.

Copy ✓

BEST AVAILABLE COPY

Philippines or International Address:
 Ramon Magsaysay Center, 1680 Roxas Boulevard, Manila, Philippines 1004

From United States:
 USAID/Philippines, APO AP 96440

To: David Leong, Acting Regional Director, USAID/Fiji
Tom Stukel, Director, USAID/Manila

From: Neil Edin, Regional Contracting Officer *NE*

Subject: Regional Contracts Officer Report on Mission Visit
January 20 - 27, 1994 Part of Manila/Jakarta Close
Out/Transfer Report

Date: January 26, 1994

Thanks for the opportunity to be part of the closeout/transfer team. As this was my first trip to your Mission, I learned a great deal about the region and USAID's programs. I have attempted to summarize your portfolio and dates proposed for winding down each award and decreases/increases proposed in the attached chart. After the USAID/W review and final decisions please revise chart accordingly and provide me final dates and costs. I have noted actions necessary by Mission in last column of chart to allow me to amend the awards.

The most pressing and urgent problem is the RDA contract #1177 which is out of money. It does not even have enough money to send the team home and costs are mounting daily for storage of assembly units for lab and a number of containers full of materials left exposed at the remote assembly site. Upon a decision to continue this award or terminate, please provide a PIO/T immediately with appropriate funding so I can start negotiation to implement action required.

Orderly phase down with awardee agreement could allow us to avoid formal termination proceedings. Terminations can be costly in terms of equipment in transit, returning staff to USA, and costs of household and auto shipping back to USA, subcontracts in place and leases ended early. The Federal Acquisition Regulations and a number of termination court cases set forth rules and examples that indicate it can take months to negotiate. The Burma closedown took 2 years to finalize all termination actions. Levels of effort, statements of work, and budgets must be negotiated and awards amended. Inventories of property purchases under awards must be deposited as directed by the award or the Mission. Over \$50,000 contract settlements require USAID/W review and possible audit.

Awards terminating at their normal time must be closed out and sent to permanent storage. For the grants and PSC's you have awarded and not still active after 9/30/94, it is requested you close them out and send them to USAID/W for permanent storage. I will provide close out instructions, samples and also PSC check out instructions by fax to allow orderly transition. I have attached FAR/AIDAR contract termination rules and grant/cooperative agreement termination clause. Awardees going beyond 9/94 may insist on termination rather than agree on orderly phase down if all programs must be closed by 9/31/94.

For actions that you awarded but continue past 9/30/94, please transfer all files related to these actions by DHL/courier to USAID/Manila no later than 7/1/94. For all project files that relate to awards administered by RCO/Manila, please transfer these project files by certified pouch by the same date.

Contracts can clearly be terminated. Grants to international organizations (Handbook 13, Chapter 5) can also be terminated by either party. Specific or general support grants or cooperative agreements can only be terminated by mutual agreement so you may want to be careful of any future obligations to these type of awards. Hopefully awardees will partially terminate or reduce grant/agreement activities to reflect our final approved funding. Recovering already obligated funds under grants may prove to more difficult.

Please prepare PIO/T's to accomplish all changes to awards and specify exact work statement changes by award article "delete" or "insert". Level of effort changes should be specific by award article, exact position to level current and revised level. Budgets should show current award amounts by line item, proposed decreases/increases by line item (second column); and finally new proposed line item totals. Upon RCO receipt of PIO/T, awardee will be contracted and requested to present revised budget based on your revised work scope and level of effort and after RCO/Mission review of awardee proposal, negotiation and amendment will be done.

Following items were specifically discussed during this TDY.

Biosystems Contract 879-0020-C-00-2008, PIO/T 879-0020-3-10013; 00012; 30022 for \$245,000 additional funding and increase in work scope is pending USAID/Fiji providing a FAR less than full and open justification memo signed by Mission competition advocate (format FAR 6.303-2) and CBD ad if required. Also PIO/T's are not clear on exact work scope changes/additions per contract article. Please clarify. Also review contract budget by line item and put in a matrix showing present contract budget; second column-revised increases/decreases by line item; and third column new totals. Provide this information so we can proceed with negotiation and finalization of amendment to contract. Also give me a copy of contractors proposal showing this same information and for \$245,000 increase by line item.

RDA Contract 879-0020-C-00-1177 (project 879-0025) is experiencing serious cash flow problems and needs additional obligation as soon as possible (PIO/T). Costs are mounting for storage costs for equipment not yet sent but delivered to supplier in the U.S. Delivered building materials are in danger of damage or loss in the remote delivery site, the requested additional \$700,000 will probably not be enough to provide early termination costs of the

contract and sending families (2) back to the USA and assembling building materials at site. This is an urgent problem and needs an immediate decision from AID/W to either terminate or provide additional funding. Even termination costs at this point are more than available in present obligation.

John Snow 492-0017-C-00-0073-00 Contractor has been requested to cost out funds necessary to fund contract through 9/30/94 and alternatively 3/31/95. Contractor will run out of money (obligation) around May 1994 and this does not take into consideration close out costs to return team to U.S. and to terminate leases, etc. Present funds will be used in a forthcoming PIO/T to fund 2 houses to be built (authorized in RFP/substitute for renovation) and carry contract through 9/30/94. Earlier termination or extension to 3/31/95 will be done by PIO/T after USAID/W has provided final direction.

PSC Andrew McGregor 879-0025-S-00-2062-00, PIO/T 879-0000-3-40001 adds \$75,000 additional obligation (12/10/93). I will check on status when I return to Manila when amendment will be finalized.

Awards to PSC's (American) are prohibited by Handbook 14 Appendix D. If you wish to deviate from this policy, please follow the instructions in the deviation chapter of Handbook 14. Comments must be secured from USAID/W PPE before approval in action memo. There is a sample action memo that is available in the Mission to use as an example.

Dean's Building Maintenance Contract 879-0000-C-00-7024 expires 9/30/94. If contractor has a written severance plan or Fiji law mandates a certain severance allowance, contract costs can be amended to include such costs if there is sufficient OE. Contract should be closed out and send to permanent storage before Mission closes.

RDA Contract # 1222; subcontract review for fishing boat charter with Latu Manu. I will take proposed subcontract to Manila for further review and approval. I will assume Sharon Fee concurs on the rental of a second chartered fishing boat on the Tonga project for six months at costs noted. I note RDA Dan Chaney will be in Manila Feb 6-9. Hopefully we can finalize the subcontract then. I assume two boat charters were anticipated in original contract.

PSC Contract Kathy Hawley #2035. EXO Administrative Person. If Mission desires to reclassify job, Bill Wanamaker can assist. Then a minimum of 3 candidates must be considered, selection memo prepared and your Mission Contracting Officer must make certifications as per Contract Information Bulletin (CIB) on blanket waiver of competition and a contract negotiated.

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Finally, it is important to note the importance of Contract Officer visits during this transition period to allow for a smooth transition, and if any awards continue beyond September 30, additional quarterly RCO visits to Suva to work with any remaining awardee concerns and phase down. Visits will be scheduled quarterly until most awards are terminated.

The Manila telephone number has recently changed. Please 57-3781 and then ask for person by name or fax numbers.

Thanks again for you invitation to work with your Mission. Please let me or Bill Reynolds (still regular account contact) know of any concerns or questions we can help you with.

Attachments: 1) Project Award Summary for USAID/Fiji Regional Programs
2) Termination process for contracts (FAR/AIDAR/Grants/Agreements)

cc: Rick

A:Closeout.NE

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FROM :

PHONE NO. :

Feb. 04 1994 3:12PM P05

Issues:

The issues for review are basically whether the Plan establishes that proposed close out schedules are necessary to complete useful units of assistance and the resources requested are justified. The issues below are keyed to the proposed useful units for which additional funds are requested or which are proposed to extend beyond FY 1994.

1. Funds Requested: RDO/SP requests \$1.904 million principally to close out units of the fisheries (CAD) and agriculture (CAD) projects in which host governments and producer groups have substantial investments and the advisory services for these activities. These units have been incrementally funded and did not have significant pipelines when close out decisions were announced. A partial offset will be about \$1 million of deobs in FY 1995 when other project elements are closed out.

- Is this the minimum resource required for completion of useful units?
- The Plan does not provide for funding evaluations. Has a decision been made not to do them? If they are to be done, what are the costs and where will the funds come from? [From M/FA/B]
- One FSN and two project advisers are recommended to be continued for administrative close-out purposes. Do requested funds include these positions, and what is the cost involved? Why can't USAID/Manila perform the necessary work within existing staff levels? Why can't TDYs provide these services? [From M/FA/B]
- As of January 24 there was a total pipeline of \$12,448,000. What does the Plan do about it? Why can't close-out funds come from this amount? Where does the Mission expect to get the \$1.904 million for close-out costs? [From M/FA/B]

2. Units Extending into FY 1995: Are the proposed close-out dates for these units receiving new funds acceptable? Can we find a logical place to cut any of them off sooner? [From PPC]

- Participant training (CAD and PIMAR) for nine persons, one to June 1996, three to December 1995 and the remainder ending in FY 1995.
- Quarantine treatment facilities (CAD) in Fiji and Tonga ending June 1995.

- Advisory services (CAD) to small producer groups in Fiji, Tonga and Vanuatu to become self-sufficient ending June 1995.
- An oyster-culture research facility (PIMAR) for Cook Islands ending June 1995.
- South Pacific Commission (SPC) technology dissemination ending June 1995.
- An operational fisheries industry association (PIMAR) in Papua New Guinea (PNG) ending March 1995.

Are the other units extending into FY 1995 acceptable?

- SPC grant for AIDS prevention work with community organizations (RAP) ends September 1995. *Global wants it to continue*
 - Pathfinder cooperative agreement assisting indigenous NGO promoting family planning (RFP) ending September 1995.
 - Foundation for Peoples of the South Pacific (FSP) cooperative agreement developing community environmental livelihood activities in Vanuatu (a GEF activity) ending September 1995.
 - Advisory services for PNG Government to phase into ADB health project (PNG-CSSP) ending March 1995. *Memoranda will take over and budget to ADP*
3. OE Issues: [From M/FA/B/SB]
- The Plan states that NXP valued at \$930,000 will be transferred or auctioned. FA/OMS received a complete inventory report October 14, 1993 estimating NXP at \$698,192, was this merely an estimate? Are there any program funded NXP items? These cannot be auctioned or transferred but must be "turned over to the host country." We assume only OE funded NXP will be transferred/auctioned, correct?
 - Where NXP or building improvements will be exchanged for rent, how much OE funded rent will be reduced in exchange for NXP?
 - The Plan proposes a retired EXO TDY to ensure all details after the departure of the last USDH. How much will it cost for this TDY?

- The Plan estimates \$1.47 million in FY 94 OE. A limited amount of OE may be needed for USAID/Manila to oversee residual close-out actions. Can this be covered within Manila's existing OE annual levels?
- What is the disposition of FN and PSC separation cost? How much will it cost? Are there any penalty costs for contract terminations, and will that be covered in the \$1.9 million close-out estimate?

ANE/ASIA/PD:JRNussbaum:10 Feb 94:x77476
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AGENCY FOR INTERNATIONAL DEVELOPMENT

320 TWENTY FIRST STREET, N.W.
WASHINGTON, D.C. 20523

Did Mr. Gross send it?

The Administrator

Mr. Ieremia T. Tabai
Secretary General
Forum Secretariat
G.P.O. Box 856
Suva, Fiji

Dear Mr. Tabai:

Thank you for your letter dated January 14, concerning the planned closeout of the USAID Mission in Suva and sub-office in Port Moresby.

Your comments and support for USAID's activities are very much appreciated. The process of reorganizing USAID is a monumental task and one which has been very difficult. In this letter, I will address your concerns as well as give you a brief explanation of the closeout process.

While the final determination of the closeout process is currently being discussed within USAID, our offices in Suva and Port Moresby, have been instructed to close out all operations and activities by the end of Fiscal Year (FY) 1994. However, some project activities (not projects) may need to be carried briefly into FY1995 but the Mission will have to justify, and USAID Washington will have to approve, each situation.

USAID's policy objectives focus on protecting the environment, building democracy, economic growth and population/health. To achieve these objectives within current resource constraints, we will close 21 missions throughout the world. The reorganization is designed to increase the effectiveness of foreign assistance programs while decreasing operating costs.

The decision to close-out the South Pacific Mission was based on assessments of economic performance and operating cost efficiencies, especially related to small programs. The South Pacific is a small program with a relatively high operating cost. Countries in the South Pacific region served by USAID's Regional Development Office have average

per capita incomes which are relatively high compared to other nations of the developing world.

The South Pacific will continue to benefit from programs such as the United States Asia Environmental Project (USAEP), the Fisheries Treaty and the Joint Commercial Commission (JCC). We will also look at creative ways to foster links between U.S. expertise and technology and the development needs of South Pacific countries from our Regional Support Mission in Bangkok as well as from Washington.

Again, our discussions are ongoing with final decisions to be made in mid-February. I have instructed our Acting Regional Director, David Leong, to keep you informed of the progress of the South Pacific closeout discussions.

Thank you for your concern and understanding with this difficult decision.

Sincerely,

J. Brian Atwood

cc: David Leong, Acting Regional Director, USAID/Suva

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Copies and clearances for Ieremia T. Tabai letter:

Clearances:

ANE/ASIA/EA:LARoss :	<u>LAR</u>	Date:	<u>2/4/94</u>
ANE/ASIA/DAA:LMorse:	<u>M</u>	Date:	<u>2/4/94</u>
LEG:M.Reilly:	<u>Doyle</u>	Date:	<u>2/4/94</u>
D/PPC:TBrown:	<u>W</u>	Date:	<u>2/10/94</u>
M:LByrne:	<u>W</u>	Date:	<u>2-14</u>
ES:AWilliams:		Date:	
DA/AID:CLancaster:		Date:	

ANE/ASIA/EA:CHowell:ch:02/04/94:x74518:
u:\eapub\docs\So-Pacif\Tabai.ltr

PROJECT AWARD OVERVIEW/FIJI REGION
 COMPILED BY RCO EDIN/MANILA
 1/25/94

Project Number Project Name Award #	Closeout Report Page	Present PACD	Proposed new PACD	Award	Awardee	Award Current Est. Comp. Date	Award Proposed Est. Comp. Date	Award Current Est. Cost	Award Current Oblig.	Project Funds (?)	Project Funds Oblig. (?)	Revised Project Funds to be Added FY 94	Award Action Needed
79-0017 NG Child Survival 0073	18	08/31/97	09/31/95	Contract	John Snow	08/06/96	03/31/95	\$7,270,602	\$4,548,000	\$ 9.4	\$ 6.4		5, 7, 10
79-0019 Regional Family Planning 0143	21	03/31/97	09/30/95	Coop. Agreement	Pathfinder	09/30/95	09/30/95	\$3,114,000	\$3,114,000	\$ 4.8	\$ 1.3		5, 10
79-0023 Profitable Environmental Protection 1241 3101	27	09/30/95	9/30/95	A. Cooperative Agreement	Foundation for the Peoples of the South Pacific (FSP)	09/30/95	09/30/95	\$2,405,000	\$2,056,508	\$ 3.4	\$ 2,842	\$ 250,000	2, 3, 5, 7, 10
				B. PSC	Joseph Smith	12/31/94	06/30/94	\$ 135,000	\$ 135,000				2, 3, 5
79-0018 Market Access (MARC) 1237	9	09/30/97	09/30/94	A. Contract	Intermediary Management Consulting Corp (IMCC) (8 a)	08/31/94	08/31/94	\$2,989,511	\$2,989,511				5, 10
				B. PSC	Marinogehi Pledl	06/12/95	09/30/94	\$ 226,675	\$ 226,675				2, 3, 9
179-0020 Pacific Islands Marine Resources (PIMAR)	36	09/30/95	06/30/95							\$13.7	\$9,896,430	\$ 1.4	
KIRIBATI 2008	37			A. Contract	BioSystems	09/30/95	09/30/94	\$1,248,245	\$1,248,245 \$ 245,000 +			\$ 120,000	1, 3, 4, 5, 6, 7
FJI 1242	39			B. Cooperative Agreement	Foundation for the Peoples of the South Pacific (FSP)	09/30/95	09/30/94	\$ 900,000	\$ 600,000				6, 7, 10
TONGA 1229	41			C. Contract	RDA	09/30/95	09/30/94	\$2,386,500	\$2,386,500				5, 6, 10
TUVALU 1231	42			D. Contract	RDA	09/30/95	09/30/94	\$1,017,700	\$1,017,700				5, 6, 10

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PROJECT AWARD OVERVIEW/FIJI REGION
 COMPILED BY RCO EODS/MANILA
 1/25/94

Project Number Project Name Award #	Clonout Report Page	Present PACD	Proposed new PACD	Award	Awardee	Award Current Est. Comp. Date	Award Proposed Est. Comp. Date	Award Current Est. Cost	Award Current Oblig	Project Funds (2)	Project Funds Oblig. (2)	Revised Project Funds to be Added FY 94	Award Action Needed
COOK ISLANDS 1177	43			E. Contract	RDA	08/31/95	06/30/95	\$3,320,460	\$25,443,084 (3)			\$ 700,000	2, 3, 5, 7, 8
PNG 3124	39			F. Cooperative Agreement	Foundation for the Peoples of the South Pacific (FSP/PNG)	09/30/95	06/30/95	\$ 500,000	\$ 100,000			\$ 140,000	2, 3, 5, 6, 7, 10
RIC 3128	46			G. Intern. grant	South Pacific Commission (SPC)	09/30/95	06/30/95	\$ 480,000	\$ 99,779			\$ 230,000	7, 8, 9
TEAP 3061	47			H. Intern. grant	South Pacific Commission (SPC)	09/30/94	09/30/94	\$ 245,000	\$ 245,000				8, 9
PNG 3053				I. Intern. grant	South Pacific Commission (SPC)	08/31/94	08/31/94	\$ 175,000	\$ 175,000				8, 9
2070				J. PSC(TCN)	Elisala Pita	05/31/94	06/30/95	\$ 250,000	\$ 250,000			\$ 220,000	1, 5, 7, 10
4004				K. PSC	Richard Howell	06/28/94	06/28/94	\$ 46,332.30	\$ 46,332.30				8, 9
3079				L. PSC	Ralph Singleton	02/10/95	06/30/94	\$ 250,000	\$ 250,000				8, 9
379-0025 Commercial Agricultural Development (CAD)	31	12/31/96	06/30/96							\$ 6.0	\$ 2.9	\$ 841,000	
2088				A. PASA	USDA	12/31/96	08/31/95	\$ 850,000	\$ 565,000			\$ 45,000	2, 3, 5, 6, 7, 10
2062				B. PSC (TCN)	Andrew McGregor	03/08/97	08/31/95	\$1,051,000	\$ 370,000			\$ 356,000	2, 3, 5, 7, 10
2091				C. Contract	ACDI	10/30/96	08/31/95	\$3,012,490	\$1,860,000			\$ 210,000	2, 3, 5, 6, 7, 10
2100				D. Cooperative Agreement	University of the South Pacific (USP)	12/31/96	06/30/96	\$ 600,000	\$ 285,000			\$ 230,000	2, 3, 5, 6, 7, 10
O.E. 7024				Management Contract	Deane Building Maintenance	09/30/94	09/30/94	\$130,021.47	\$130,021.47				8, 9
OFDA 3057				PSC	Josanne Burke	04/04/94	09/30/94	\$ 54,580	\$ 54,580	\$ 54,580			8, 9
OE 2069				PSC	Debbie Stace	12/31/94	08/31/94	\$ 57,442	\$ 36,815				8, 9
OE 2035				PSC	Kathy Hurley	01/23/95	09/30/94	\$ 101,000	\$ 61,596				8, 9
936-600189 Malaria and Vaccine Field Trials				Govt. to Govt.	Papua New Guinea	03/31/95	09/30/94	\$2,400,000	\$2,005,000				8, 9, 11

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FORM OF 1954 OMB 5010-104

Key:

- (1) Current funds from project will be added to carry contractor through 09/30/94. PIO/T is needed immediately. Approval is requested to mission to add \$800,000 additional funds to carry contractor through 03/31/95. Cost proposal and PIO/T needed.
- (2) Rounded to millions.
- (3) RDA Contract 879-0020-C-00-1177 (Project 879-0025) is experiencing serious cash flow problems and needs additional obligation as soon as possible (PIO/T). Costs are mounting for storage costs for equipment not yet sent but delivered to supplier in the U.S. Delivered building materials are in danger of damage or loss in the remote delivery site, the requested additional \$700,000 will probably not be enough to provide early termination costs of the contract and sending families (2) back to the USA and assembling building materials at site. This is an urgent problem and needs an immediate decision from AID/D to either terminate or provide additional funding. Even termination costs at this point are more than available in present obligation.

ACTION NEEDED BY MISSION WHEN APPROVED BY USAID/W AND OTHER ACTIONS AS NOTED(LAST COLUMN NOTES)

- (1) Increase LOE and increase cost (PIO/T to Manila)
- (2) Decrease LOE and reduce cost (PIO/T to Manila)
- (3) Work statement revision (PIO/T to Manila)
- (4) Competition waiver for increased activities and CBD ad to Manila.
- (5) Change address as of controller, Mission, project officer (Advise Manila effective date)
- (6) Speeded up implementation (PIO/T to Manila)
- (7) Add obligation (PIO/T to Manila if approved by USAID/W)
- (8) Fiji will close out award (instructions and samples will be sent from Manila). Have PSC's do checkout procedure.
All awards must have final property report and disposition as per award terms
- (9) USAID/Fiji administered
- (10) Transfer files to Manila for administration on agreed on date
- (11) Proag or PIL Agreement Amendment