

PROJECT AGREEMENT  
BETWEEN THE EMBAASSY OF THE UNITED STATES OF AMERICA AND AN  
AGENCY OF THE GOVERNMENT OF PALESTIAN

The above-named parties hereby mutually agree to carry out a project in accordance with the  
to be set forth herein and the terms set forth in any annexes attached or checked below:

- IN) PROJECT DESCRIPTION
- IN) STANDARD PROVISIONS
- IN) GENERAL AGREEMENT FOR TECHNICAL COOPERATION
- IN) FOREIGN CURRENCY STANDARD PROVISION
- IN) OTHER AGREEMENT

7. STATE DEPARTMENT FUNDING:

Category	Amount	Source	Project	Total
(a) Total Costs	106,125,392	6,386,999	112,512,391	
(b) Personnel Services	1,116,576	400,000	1,516,576	
(c) Commodity Costs	47,048,555	1,586,300	48,634,855	
(d) Purchased Costs	5,976,668	300,000	6,276,668	
(e) Other Costs	49,083,603	1,800,000	50,883,603	

8. COOPERATING AGENCY FINANCING:

OPTIONAL FORM 99 (7-80)

FAX TRANSMITTAL

To: Wahid A. Ahsan From: Gregory R. Black  
Agency: USAID Project: 2003-226-8208

From: 2003-16217-4803 To: 2003-226-8208  
Agency: USAID Project: 2003-226-8208

Special Provisions of the Mutual Understanding will be attached through this document on following page. Please the actual invoice through this provision is your responsibility and arranged.

in kind or other

STAFF 96584

August 31, 1987

Signature

Signature

Signature

Signature

Date: 06/20/07 (16201-0306, 16201-0304, 16201-0102, 16201-0105)

Version No: 2002/01

4. Project Area: Administrative Area Development and Demoral Reduction Project

19-11-1022-11, 19-11-1022-2

Project Title: Administrative Area Development and Demoral Reduction Project

Project No: 19-11-1022-11, 19-11-1022-2

Project Start: September 30, 2007

Project End: March 31, 2011

Project Manager: Wahid A. Ahsan

Project Sponsor: USAID

Project Location: USAID

Project Status: Active

Project Budget: \$20,000,000 (US\$)

Project Description: Administrative Area Development and Demoral Reduction Project

Project Objectives: Administrative Area Development and Demoral Reduction Project

Project Results: Administrative Area Development and Demoral Reduction Project

Project Impact: Administrative Area Development and Demoral Reduction Project

Project Sustainability: Administrative Area Development and Demoral Reduction Project

Project Evaluation: Administrative Area Development and Demoral Reduction Project

Project Reporting: Administrative Area Development and Demoral Reduction Project

General

1- This revision provides additional funding of USD 29,000,000 for the implementation of the aviation support component of the Border Security Project (BSP) of which USD 22,613,101 have been obligated for the project in the US. The USG will obligate \$6,386,899 through this revision. This component shall be implemented by the Ministry of Interior through an Air Wing to be set up for the purpose. The Project will be identified separately in the resource portion of this revision to the original agreement.

2- This amendment authorizes broadening of the scope of law enforcement cooperation between the United States and Pakistan and is specifically aimed at strengthening GOP capabilities to combat Terrorism, human trafficking, money laundering, corruption, and the smuggling of narcotics, goods, arms and ammunition, etc. by providing aviation assistance to the Ministry of Interior (MOI) and Narcotics Control Division (NCD), and its related law enforcement agencies (particularly the Frontier Corps of Balochistan and NWFP, Anti Narcotics Force, and Coast Guards), the Government of the North West Frontier Project (NWFP), and the Government of Baluchistan. All activities under this project are to be limited to the western region as well as the contiguous coastline. All aviation assets provided under this project will be used by the Ministry of Interior, the Anti-Narcotics Force ("ANF"), the Frontier Corps NWFP, the Frontier Corps Balochistan, the Pakistan Coast Guards, the Home Departments of the Government of NWFP and the Government of Balochistan for the following purposes and consistent with the terms of paragraph (7)k.

- Surveillance and reconnaissance,
- ✓ Troops transport,
- Logistical re-supply
- Medevac,
- Command and control of border security operations,
- Interdiction related missions
- Other missions mutually agreed between US Embassy and Ministry of Interior

Missions not covered by the above clause must be authorized on a case-by-case basis by the U.S. Ambassador or the Ambassador's designated representative. The aircraft under this LOA will be maintained and operated to established State Department standards, or to GOP standards deemed acceptable by the representatives of the State Department Air Wing.

3- Details regarding implementation of the project will be worked out jointly by the agencies mentioned in paragraph two of this revision and will be recorded in bilateral Memoranda of Understanding (MOU). For consolidated maintenance and logistical support, the aircraft will be based at one Main Operating Base (MOB) and deployed from there to Forward

Operating Locations (FOLs) on a mission basis.

4- The parties to this agreement accept that the objectives, scope and structure of the project may be modified or expanded during the life of the project as circumstances warrant. Changes may be introduced in order to profit from experience or capitalize on new opportunities. Such changes may be made by mutual agreement between the Narcotics Affairs Section (NAS) of American Embassy, Islamabad and the relevant GOP organization and will be made part of this agreement by reference.

5- The main beneficiaries of this project shall be Ministry of Interior, Frontier Corps of Balochistan, Frontier Corps of NWFP, Anti-Narcotics Force (ANF), Pakistan Coast Guard (PCG) and Home Departments of Governments of NWFP and Balochistan and any other(s) organizations as mutually agreed by both parties.

6- Funding for this project shall be used for the provision and support of aviation assets, initially consisting of five rotary-wing and three fixed-wing aircrafts.

*Handwritten notes:*  
\*  
Frontier Corps  
Balochistan  
NWFP  
Government of Pakistan

7- The Government of Pakistan agrees on its part as follows:

a. To pay salaries and allowances of all GOP personnel assigned to the project on a timely basis;

b. To provide infrastructure, administrative and technical support to the project; to include utilities, water, electrical power etc, ramp parking space, hangar space as required, maintenance work space and logistics storage space as required, office space, and if required adequate billeting for personnel on GOP military or Frontier Corps installations. Billeting provided will be equivalent to that provided by the GOP to the Pakistan Army or FC Officer Corps. If necessary, due to threat to foreigners, the GOP will provide adequate security for USG personnel assigned in support of this project.

c. To provide necessary pilots and maintenance personnel, based on a proper needs assessment which may be necessary for the successful execution of the project;

d. To provide all operational support costs for the implementation of the project except for those specified out of project funding;

e. Title to all property procured through the project funds shall be in the name of Ministry of Interior, unless otherwise specified in the applicable procurement document. The United States shall retain title of ownership to all aircrafts transferred to Pakistan pursuant to this agreement. All aircrafts transferred to Pakistan under this agreement shall

be used solely for the purposes agreed in this LOA and in support of Border Security operations.

f. Each party shall have the right to 1) examine any property procured through or financed under this program to determine that such property is being used in accordance with the terms and conditions of the MOU and towards fulfillment of project objectives; 2) inspect and audit accounts and records with respect to utilization of funds, properties, and contracted services furnished under this agreement to determine that such funds, services, or properties are being utilized in accordance with the rules, regulations and procedures as laid down.

g. The parties agree to monitor jointly and annually the progress of the program and perform monitoring at regular intervals during the life of the program. Each party shall assign fully qualified personnel to participate in the monitoring and review process.

h. The GOP agrees to retain personnel who received USG-funded training in project related assignments for a minimum of three years after completion of such training. The GOP agrees to assign appropriate Pakistan Army personnel to this project for the same term as Pakistan Army personnel assigned to the MOI for FC or ANF assignments. This requirement may be waived by mutual agreement of the GOP and the USG.

i. The GOP agrees that any aircraft, to include any major subsystems (for example FLIR), provided under this project will be operated as national assets in a manner consistent with the bilateral program and according to the laws and regulations applicable in each country. These aircrafts are to be used by the GOP for border security operations, except in times of natural disaster or other emergency situations in order to prevent the loss of life or to engage in humanitarian undertakings.

j. The GOP shall promptly notify the US Embassy in Pakistan if any institution of the Pakistani Government insures any aircraft provided by the USG under this project so that the governments may establish the procedures for administering any funds resulting from any related insurance payment or settlement;

*Remove*  
*add to*  
*for*  
k. To ensure the aircraft in this project are operated to acceptable State Department standards, all missions using aircraft provided under this project will be planned and commanded by GOP designated personnel and carried out in accordance with the objectives of this revision. The aircraft in this project will be operated and maintained in accordance with established INL Air Wing plans, directives, standard operating procedures and policies. In addition, training will be in accordance with the INL Air Wing aircraft-training program. The GOP shall allow access to all aircraft provided under this revision, including their flight and maintenance records, in accordance with paragraph (7) (f) of this revision to representatives of the USG assigned to support this project. Representatives of the USG may fly as observers on flights to ensure compliance with End Use Monitoring requirements. In addition, representatives of

the USG may fly as aircrew on training flights.

1. The GOP agrees not to authorize the re-export, resale or other disposition of any aircraft and articles provided under this project outside of Pakistan without prior written approval of the USG. The GOP agrees that these items will be used to further the development of bilateral border security efforts.

m. Accidents involving aircraft provided by the USG under this project will be investigated by a Combined GOP-USG Accident Investigation Board that will be convened at the request of either government. The purpose of the Combined GOP-USG Accident Investigation Board is to determine the cause of the accident and recommend corrective actions in the areas of training, operational procedures, maintenance and equipment with the objective of preventing future accidents. Both governments will have access to all relevant damaged material/equipment, information, files, and reports. The boards will be established as follows:

- i. Accidents resulting in fatalities. The Combined GOP-USG Accident Investigation Board will be co-presided over by an officer designated by the GOP and by a representative of the US National Transportation Safety Board or other appropriate agency of the USG. The GOP and the USG will provide other board members as required.
- ii. Non-fatal accidents. The Combined GOP-USG Accident Investigation Board will be co-presided over by an officer designated by the GOP and a representative designated by the US Department of State, Director (Chief) of the Office of Aviation of the Bureau of International Narcotics and Law Enforcement Affairs (IN/LA). The GOP and USG will provide other board members as required.

8- Funds provided for consultant and advisory services under Personnel Service Contracts will be utilized by NAS for acquiring the services deemed necessary to implement the Project. If these funds are not utilized or if there is any saving, the same will be utilized for the project implementation.

9- The United States Government agrees to:

a) Subject to applicable laws of the USG, including Section 484(a)(1) of the 1961 US Foreign Assistance Act (as amended), the USG will provide the GOP with rotary- and fixed-wing aircraft on a no-cost, lease basis. The aircraft shall be leased at no cost, unless or until title is transferred under appropriate authority.

b) The NAS will fund training, fuel, petroleum products, maintenance, infrastructure, and other related expenses for the aircraft leased under this revision for border security and border security-support missions. Subject to the availability of appropriated funds, the USG plans to support these aircraft for a period of three years to support specific

requirements. Funds of the USG will be provided through Foreign Military Sales (FMS) cases and other funding accounts to support the aircraft up to the hourly limits possible. The USG will not fund flight hours beyond the funding limitations or for missions not authorized by this project.

10- GOP agrees to extend to all USG personnel assigned to the project, USG employees and contractors, the status of admin and technical staff of the US embassy.

Project Agree  
No. 046201-0107  
Revision No. 36  
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**Resources:**

**1- GOP/Implementing Agencies Contribution:**

The GOP contribution under this project agreement is not measurable in terms of dollar/rupee figures. However, GOP is required to provide essential contributions to the project for costs not funded by the USG.

**2- USG Contribution:**

The USG shall contribute up to USD29,000,000 (USD 6,386,899 thru this revision and USD 22,613,101 have been obligated by INL in US) in the Fiscal year for the provision and support of aviation assets consisting of five rotary-wing and three fixed-wing aircraft.

**RESOURCE SUMMARY:**

Following is the net summarized position by project:

	PROJECT	USG CONTRIBUTION	INL CONTRIBUTION	NET USG CONTRIBUTION	NET INL CONTRIBUTION
Agriculture and Area Development Activities		36,530,000		36,530,000	-0-
Law Enforcement Activities (including Customs)		20,415,000		20,415,000	-0-
Law Enforcement Activities- Special Investigations Cell- Anti Narcotics Force (SICANF)		2,170,000		2,170,000	-0-
Demand Reduction Activities		2,240,000		2,240,000	-0-
Proceeds of Sales (POS)		770,292		770,292	-0-
Boarder Security Project (BSP)		50,386,899		44,000,000	6,386,899
<b>TOTAL:</b>		112,512,191		106,125,292	6,386,899
Boarder Security Project (INL-Funded)		22,613,101		-0-	22,613,101