



United States Agency for International Development
West Bank and Gaza Mission

May 2, 2001

REF: 2001-WBG-01

TO: See attached list of Contractors & Grantees

SUBJECT: Operations under Current Conditions

REF: Letter to U.S. Grantees and Recipients, October 17, 2000
Letter to Contractors, October 17, 2000
Letter to Contractors, January 19, 2001
Announcement at the meeting in Jerusalem on April 3, 2001

Dear Chief of Party:

The purpose of this letter is to provide all contractors and grantees general information on recent decisions concerning our program in the West Bank and Gaza, some of which were discussed at the recent meeting with contractors and grantees at the American Colony Hotel in Jerusalem.

In two letters dated October 17, 2000, one addressed to contractors and another addressed to grantees, Mr. Larry Garber, West Bank/Gaza Mission Director, instructed the expatriate personnel of USAID contractors to move out of the West Bank and Gaza, and requested expatriate personnel of our grantees to do likewise. Furthermore, the letter required contractors to obtain prior written approval for all USAID-funded international travel into Israel or the West Bank or Gaza, and also recommended that grantees defer all such travel until further notice.

Subsequently, in a letter to contractors dated January 19, 2001, I stated that "USAID contractors are not subject to the same restrictions as US government employees, and may travel into the West Bank or Gaza effective immediately as a matter of corporate discretion." As announced at the contractor's meeting on April 3, 2001, USAID has determined to extend this principle to residency in the West Bank. Accordingly, contractor personnel are now authorized to reside in the West Bank as a matter of corporate discretion.

This does not mean, however, that USAID considers the security threat to have diminished. To the contrary, a heightened threat of terrorist incidents persists, and violent clashes and confrontations continue to take place throughout the West Bank and Gaza. The Department of State's Travel Warning, dated January 12, 2001, remains in

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effect and was recently reiterated in the most recent Consular Information Sheet, dated April 18, 2001.

Therefore, any decision by contractors and grantees to allow their personnel to travel in the West Bank or Gaza, or to reside in the West Bank, should be made only after careful consideration of security and safety factors. Any such decision shall be solely the responsibility of the contractor or grantee. The US Government and USAID will not assume any liability for any claims, losses, damages or injuries that arise out of or result from traveling in the West Bank or Gaza or residing in the West Bank, except to the extent specifically provided in your organization's contract or grant or in applicable statutes and regulations.

With regard to residing in Gaza, the previous guidelines continue to apply until further notice. That is, expatriate contractor personnel are directed not to reside in Gaza, and expatriate grantee personnel are encouraged not to reside there.

For cost-reimbursement contractors and grantees, "double residences" for employees in the West Bank and elsewhere will no longer be allowed, except where justified by extraordinary circumstances and specifically approved in writing by the Contracting Officer. If, for example, you presently have housing in the West Bank, and your organization has decided to continue to run the program out of Jerusalem and find apartments for its employees there, immediate steps should be taken to terminate your leases in the West Bank. Conversely, if your organization's employees will return to housing in the West Bank, you should terminate duplicative lodging arrangements in Jerusalem. In either case, for all long-term expatriate personnel, you should make immediate arrangements to vacate lodging in hotels and move into apartments as soon as possible. Indeed, you should take all reasonable steps to minimize costs during this period, as previously stated in our letter of October 17, 2000. In general, all housing costs to be reimbursed by USAID must be reasonable, with leases ordinarily running for a minimum of six months, preferably longer. However, every attempt should be made to include escape clauses in the lease should a requirement dictate that you vacate before the scheduled end of the contract. Furthermore, costs for "double offices" will be allowable only when justified on a practical and prudent basis and specifically approved in writing by the Contracting Officer.

For fixed-price contractors, USAID will no longer pay any duplicate residential or hotel costs incurred after June 30, 2001, subject to two exceptions. First, for expatriate contractor employees who previously lived in Gaza but now live in Israel because of the restriction discussed above, USAID will pay the difference between the reasonable cost of housing in Israel and the cost previously incurred for housing in Gaza. Second, for offices which have been relocated from Gaza to Israel, USAID will pay the difference between the reasonable cost of office space in Israel and the cost previously incurred for office space in Gaza. Additional exceptions may be considered on a case-by-case basis.

With respect to the acquisition of additional security items, such as upgraded vehicles, additional drivers, additional cellular phones, or security assessments, the Office

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of Contracts Management and your Contracting Officer will consider reasonable requests from cost-reimbursement contractors and grantees on a case-by-case basis. USAID will make available to all contractors and grantees copies of security assessments that have been prepared with USAID financing.

I would like to take this opportunity to remind you that it is the responsibility of all USAID contractors and grantees working in Israel, the West Bank and Gaza to keep informed of the current travel conditions and major security concerns, identify ways to mitigate and decrease risk, and keep abreast of other situations on the ground. As discussed at the April 3 meeting, the Consulate and USAID are organizing an Overseas Advisory Council (OSAC) for the West Bank. We plan to set up a meeting shortly to formalize the OSAC.

For purposes of this letter, the terms “grants” and “grantees” also include cooperative agreements and recipients of cooperative agreements.

Sincerely,

(Signature on file)
Timothy T. Beans
Contracting Officer

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