



USAID | WEST BANK/GAZA

June 23, 2006
REF: 2006-WBG-21

TO: All USAID/West Bank and Gaza Contractors, Grantees and Recipients

SUBJECT: FY 2006 Emergency Supplemental Appropriation Act

On June 15, 2006, the President signed the FY 2006 Emergency Supplemental Appropriations Act, which (a) prohibits any obligation or expenditure of assistance for the Palestinian Authority (unless waived by the President for certain activities) and (b) requires a revised assistance plan, consultations, a determination, and a report before obligating any more Economic Support Funds (ESF) for assistance for the West Bank and Gaza.

We are currently reviewing this legislation to determine its applicability to ongoing programs. Until further notice, please ensure no funds are expended which could be considered as assistance to the Palestinian Authority, which includes for this purpose, the Office of the President and independent agencies.

We will be in contact with you as soon as possible with further information.

A copy of these restrictions is attached.

Sincerely,

Roy Plucknett
Contracting Officer
USAID/West Bank and Gaza

SEC. 1304. (a) Section 550 of Public Law 109-102 (119 Stat. 2217) is amended to read as follows:

“PROHIBITION ON ASSISTANCE FOR THE PALESTINIAN AUTHORITY

“SEC. 550. (a) PROHIBITION ON ASSISTANCE.—None of the funds appropriated by this Act or any prior Act making appropriations for foreign operations, export financing, and related programs, may be obligated or expended for assistance for the Palestinian Authority unless the Secretary of State determines, and so reports to the Committees on Appropriations, that the Palestinian Authority has complied with the standards contained in the Quartet’s January 30, 2006 Statement on the Situation in the Middle East that “a future Palestinian government must be committed to nonviolence, recognition of Israel, and acceptance of previous agreements and obligations, including the Roadmap”.

“(b) WAIVER AUTHORITY.—

“(1) The President may waive subsection (a) with respect to the administrative and personal security costs of the Office of the President of the Palestinian Authority, for activities of the President of the Palestinian Authority to promote democracy, peaceful resolution of the Israeli-Palestinian conflict, and the rule of law, and with respect to independent agencies, if the President certifies and reports to the Committees on Appropriations that—

“(A) it is in the national security interest of the United States to provide such assistance;

“(B) as the case may be, the President of the Palestinian Authority, the President’s party, and independent agencies and any members thereof, are not members of, appointed by, or effectively controlled by Hamas or any other foreign terrorist organization; and

“(C) assistance provided under the authority of this subsection will not be transferred or retransferred to any member of Hamas or other foreign terrorist organization or to any entity effectively controlled by Hamas or other foreign terrorist organization.

“(2) Not less than 15 days prior to exercising the authority provided in this subsection, the President shall consult with, and shall provide a written policy justification to, the Committees on Appropriations of the House of Representatives and the Senate and the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

“(c) REPORT.—Whenever the waiver authority pursuant to subsection (b) is exercised, the President shall submit a report to the Committees on Appropriations describing how the funds will be spent and the accounting procedures in place to ensure proper oversight and accountability.”.

(b) Effective on the date of enactment of this Act, none of the funds appropriated under the heading “Economic Support Fund” in Public Law 109-102 (119 Stat. 2217) or any prior Act making appropriations for foreign operations, export financing and related

programs may be obligated for assistance for the West Bank and Gaza until the Secretary of State consults with the Committees on Appropriations, submits a revised plan for such assistance to the Committees on Appropriations, and determines and reports to the Committees on Appropriations that appropriate procedures and safeguards exist to ensure that United States assistance is not provided to or through any individual, private or government entity, or educational institution, that the Secretary knows or has reason to believe advocates, plans, sponsors, engages in, or has engaged in, terrorist activity.