



USAID | WEST BANK/GAZA

FROM THE AMERICAN PEOPLE

January 07, 2010
2010-WBG-07

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

Subject: Mandatory Special Provision "Prohibition against Cash Assistance to the Palestinian Authority"

Dear Implementing Partners,

The purpose of this Notice is to remind you of the requirement to adhere to the Mandatory Special Provision "Prohibition against Cash Assistance to the Palestinian Authority" (see Attachment A) incorporated under your respective awards with USAID and the requirement to incorporate this Provision in all USAID funded sub-awards you execute.

This Prohibition was first introduced in the 1998 Appropriations Law and has been included in annual appropriations law ever since. This Provision (*see Attachment A*) clearly stipulates that no funds may be "*obligated or expended with respect to providing funds to the Palestinian Authority.*"

Therefore, in accordance with this Provision: "*the Recipient/Contractor shall not provide any cash to the Palestinian Authority; to any ministry, agency or instrumentality of the Palestinian Authority; to any municipality or other local government unit; or to any full-time or part-time employee or official of any of the foregoing entities. This restriction applies to payments of any kind, including salaries, stipends, fees, honoraria, per diem, and so forth.*"

You are further reminded of the requirement to include this Provision in all your sub-awards prior to its execution and ensure that the sub-awardees are aware and understand the need to adhere to this prohibition.

In addition, please note that any funds obligated or expended in violation of this Provision are considered unallowable under USAID funded awards.

Sincerely,

Roy Plucknett

Director, Office of Contracts Management
USAID West Bank & Gaza

Attachment: (A) Mandatory Special Provision "Prohibition against Cash Assistance to the Palestinian Authority"

**PROHIBITION AGAINST CASH ASSISTANCE TO THE PALESTINIAN
AUTHORITY**

U.S. legislation provides that none of the funding under this Award may be “obligated or expended with respect to providing funds to the Palestinian Authority.” In accordance with that prohibition, the Contractor shall not provide any cash to the Palestinian Authority; to any ministry, agency or instrumentality of the Palestinian Authority; to any municipality or other local government unit; or to any full-time or part-time employee or official of any of the foregoing entities. This restriction applies to payments of any kind, including salaries, stipends, fees, honoraria, per diem, and so forth.

This restriction does not prohibit the provision of in-kind assistance, such as technical assistance, training, equipment, supplies, or the construction of public works to the extent it is not otherwise prohibited by U.S. law or the terms of this Contract.

This provision shall be included in all contracts, subcontracts, grants and subgrants or any other instruments or awards issued under this Contract. Upon request, the Contractor shall promptly provide to USAID’s Contracting Officer a copy of the pages from each subaward that contains this provision.