

Higginbotham, George (M/MPBP/POL)

From: Bashadi, Sarah <Sarah_O._Bashadi@omb.eop.gov>
Sent: Wednesday, January 25, 2012 10:11 AM
To: Higginbotham, George (M/MPBP/POL)
Subject: FW: Notice of Proposed Information Collection Requirements Submitted to OMB for Review Vol. 76 Fed. Reg. No. 235, page 76359, OMB Number 0412-0577, Form No. AID 500-13

Please respond as appropriate in the Supporting Statement . Thanks.

From: FN-OMB-OIRA-Submission
Sent: Wednesday, January 25, 2012 10:08 AM
To: Bashadi, Sarah
Subject: FW: Notice of Proposed Information Collection Requirements Submitted to OMB for Review Vol. 76 Fed. Reg. No. 235, page 76359, OMB Number 0412-0577, Form No. AID 500-13

From: derek brown [<mailto:derekbrown@peaceappeal.org>]
Sent: Thursday, January 05, 2012 5:20 PM
To: FN-OMB-OIRA-Submission
Cc: Suraj Sazawal
Subject: Notice of Proposed Information Collection Requirements Submitted to OMB for Review Vol. 76 Fed. Reg. No. 235, page 76359, OMB Number 0412-0577, Form No. AID 500-13

January 5, 2012

Office of Information and Regulatory Affairs
United States Agency for International Development

Re: Notice of Proposed Information Collection Requirements Submitted to OMB for Review Vol. 76 Fed. Reg. No. 235, page 76359, OMB Number 0412-0577, Form No. AID 500-13

Dear Sir/Madam,

I am writing on behalf of the Appeal of the Nobel Peace Laureates Foundation (d/b/a The Peace Appeal Foundation) to comment on the proposed information collection. Our organization's mission is to facilitate and support peace and conflict transformation processes globally through inclusive, multi-track and multi-sector interventions designed to achieve agreed, fair and just outcome.

We share the goal of protecting USAID and State Department resources from diversion to terrorist groups, but believe that the Partner Vetting System (PVS) is not the right approach to accomplish this goal. Our reasons are set forth below:

1. Evaluate whether the proposed information collection is necessary for the proper performance of PVS

Unless there are significant changes in the design of PVS, the fundamental problems that lead 175 nonprofits to file comments opposing it in 2007 remain. Among the groups opposing PVS were InterAction, the Global Health Council and the International Center for Not for Profit Law. In addition, in 2010 the President's Advisory Council on Faith-Based and Neighborhood Partnerships recommended that the government work with nonprofits to create an alternative it.

PVS is a solution in search of a problem. There is no evidence that USAID funds are flowing to terrorist organizations through NGOs. The USAID Office of the Inspector General found no such diversion in exercising its oversight of programs in USAID's sensitive West Bank/Gaza portfolio for 2006 and 2007, when PVS was proposed. According to the Inspector General, "OIG oversight activities during this period did not identify any instances where terrorist organizations received USAID funds." Nor has it reported finding such diversions elsewhere.^[i]

2. Evaluate the accuracy of State's estimate of the burden of the proposed collection, including the validity of the methodology and assumptions used

There is insufficient information provided to allow us to give an adequate response to the Federal Register notice. Both the State Dept. and USAID notices on the burden of information collection were published without USAID publishing any details about the pilot program. At a September briefing with NGOs USAID stated that such details would be released for public comment when it announced the pilot. Its failure to do so puts the cart before the horse and leaves the public at a significant disadvantage in commenting on the proposed information collection burden.

3. Enhance the quality, utility, and clarity of the information being collected

PVS, as described in the Final Rule published by USAID in 2009^[ii] is not effective in preventing diversion of resources to terrorism. Instead, NGOs have developed thorough due diligence procedures that are based on deep knowledge of the communities in which they work. In addition NGOs conduct thorough financial accounting, program assessment and evaluation. As a representative of InterAction said in March 2009, "It's almost silly to think that an FBI analyst here in the United States, sitting at a computer looking at a list, is going to be more effective in screening a potential employee than an NGO would be that has years of experience working in a particular community."^[iii]

Grant applicants can and do conduct their own vetting using publicly available government and commercial lists. Where potential matches arise, NGOs can use their connections in local communities to investigate whether there is a risk of diversion of funds. The only reason for the proposed requirement to submit personal information to the U.S. government is to enable federal intelligence agencies to see if names match secret intelligence databases, including the Terrorist Screening Center (TSC). There are two problems with this: first, there is significant concern about the accuracy of the TSC lists and second, if a person presents a threat of diversion of resources to terrorists he or she should be publicly listed so grantees and others know to avoid them.

4. Ways to minimize the reporting burden on those who are required to respond

PVS essentially turns USAID grantees into investigators for U.S. intelligence agencies, violating NGOs' neutrality and endangering their workers. As a result the "administrative burden" goes far beyond the time it takes to fill out a form. Attacks on aid workers has risen sharply over the past ten years, and PVS will

exacerbate the problem by creating a perception in the field that aid workers are intelligence gathering agents of the U.S. government.

PVS will pose a greater administrative and paperwork burden on USAID applicants than estimated, based on experience in Gaza and the West Bank. An InterAction press release notes that the West Bank/Gaza PVS program "resulted in delays of up to five months for local procurement of goods and services for American NGOs. Even purchasing simple goods, such as fax machines, takes weeks or months, as local sellers are vetted."^[iv]

The proposed Form 4184 requires a representative of the grantee organization to certify that "I have taken reasonable steps (in accordance with sound business practices) to verify the information contained in this form...." There is no concrete guidance on what is considered a "reasonable step," and the types of information required to be collected, such as home address, place of birth and phone number, are not easily verified. The burden of investigating this information would overwhelm program operations.

Conclusion

Systems such as PVS tend to create barriers to effective delivery of aid programs, discourage small NGOs from applying for grants and alienate international partners, all without effectively addressing national security concerns. If implemented as described, the pool of effective local partner organizations is likely to shrink due to their withdrawal due to objections to turning their employees' personal information over to the intelligence agencies of a foreign government.

Rather than pursue a pilot program based on a fundamentally flawed design, the Department of State and USAID should work with the nonprofit sector to devise a vetting process that is effective, accurate and respects the neutrality of NGOs. This would be consistent with the 2010 recommendation of the President's Advisory Council on Faith-Based and Neighborhood Partnerships.

Sincerely yours,

Derek S. Brown

Executive Director

[i] See USAID Office of Inspector General Semiannual Report to the Congress, October 1 2006 – March 31, 2007, available online at <http://www.usaid.gov/oig/public/semiann/sarc0307.pdf> [page 18]

[ii] See <http://edocket.access.gpo.gov/2009/pdf/E8-31131.pdf>

[iii] Panel at the National Press Club March 20, 2009, online at http://www.charityandsecurity.org/news/March_panel_discussion_Friend_Not_Foe

[iv] http://www.interaction.org/files.cgi/6124_PVS_press_release_4.11.08.pdf

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