

## 5JUSTIFICATION

1. It is the policy of the U.S. Government to take all necessary and reasonable steps to help ensure that Federal funds do not inadvertently benefit individuals or entities that are terrorists, supporters of terrorists, or affiliated with terrorists.
2. Accordingly, USAID requires non-governmental applicants for USAID assistance to provide a certification substantially as follows:

### Certification

By signing and submitting this application, the prospective recipient provides the certification set out below:

1. The Recipient, to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts, as that term is defined in paragraph 3.
2. The following steps may enable the Recipient to comply with its obligations under paragraph 1:
  - a. Before providing any material support or resources to an individual or entity, the Recipient will verify that the individual or entity does not (i) appear on the master list of Specially Designated Nationals and Blocked Persons, which list is maintained by the U.S. Treasury's Office of Foreign Assets Control (OFAC) and is available online at OFAC's website : <http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>, or (ii) is not included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID to the Recipient.
  - b. Before providing any material support or resources to an individual or entity, the Recipient also will verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the "1267 Committee") [individuals and entities linked to the Taliban, Usama bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, the Recipient should refer to the consolidated list available online at the Committee's website: <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.
  - c. Before providing any material support or resources to an individual or entity, the Recipient will consider all information about that individual or entity of which it is aware and all public information that is reasonably available to it or of which it should be aware.
  - d. The Recipient also will implement reasonable monitoring and oversight

procedures to safeguard against assistance being diverted to support terrorist activity.

3. For purposes of this Certification-

a. "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, except advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."

b. "Terrorist act" means-

(i) an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: <http://untreaty.un.org/English/Terrorism.asp>); or

(ii) an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or

(iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

c. "Entity" means a partnership, association, corporation, or other organization, group or subgroup.

d. References in this Certification to the provision of material support and resources shall not be deemed to include the furnishing of USAID funds or USAID-financed commodities to the ultimate beneficiaries of USAID assistance, such as recipients of food, medical care, micro-enterprise loans, shelter, etc., unless the Recipient has reason to believe that one or more of these beneficiaries commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

e. The Recipient's obligations under paragraph 1 are not applicable to the procurement of goods and/or services by the Recipient that are acquired in the ordinary course of business through contract or purchase, e.g., utilities, rents, office supplies, gasoline, etc., unless the Recipient has reason to believe that a vendor or supplier of such goods and services commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

This Certification is an express term and condition of any agreement issued as a result of this application, and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

3. At this time, USAID does not accept applications for assistance electronically. Therefore, the certification will be required as a paper document as part of the assistance application.

4. This information is not collected anywhere else in the application process. While applicants do have to certify that they are not on The List of Parties Excluded from Federal Procurement and Nonprocurement Programs, not all of the individuals and organizations identified by Executive Order 13224 have been specifically included on the list.

5. Since almost all USAID grants are issued to not-for profit organizations, the impact on small business is minimal. The impact on other applicants is minimal, since applicants can easily determine if an individual or organization is on the list of identified terrorists maintained by the Treasury Department and made available to the public on its web site, <http://www.treasury.gov/terrorism.html>.

6. The award of an assistance agreement to a terrorist organization or an organization that supports terrorism would damage the government in several ways. The targets of terrorism overseas often are governmental installations, and an award to a terrorist organization would give them an explanation for presence in an Embassy or USAID property, the opportunity to document activities and schedules. It would also put USAID in violation of the statute if it provides monetary support to a terrorist organization.

7. The certification must be obtained for each individual program the applicant applies for, since each program may support different beneficiaries. An organization would have to report more than once in a quarter if applies for more than one award in the quarter. Applicants are generally provided more than 30 days to submit an application for an assistance award. USAID does not request more than an original and two copies of any application document. Because the certifications become a condition of the award, they must be retained for three years after the submission of the final financial expenditure report.

8. Notice of this information collection was published in the Federal Register Notice on July 8, 2010, Volume 75, Number 130, Page 39204. USAID received one comment in response to this notice. The commenter did not think terrorists will self identify themselves as terrorists. Also, published Federal Register on October 29, 2010, Volume 75, Number 209, Page 66724. USAID received five comments in response to this notice. A response to the commenters was transmitted via e-mail to say that it is not USAID's intention to change the language in the terrorist financing certification.

9. Not applicable: there were no decisions to provide any payments or gifts to respondents.

10. There is no assurance of confidentiality.

11. There are no questions of a sensitive nature.

12. The estimated number of respondents per year is 2000, and the average frequency of response time is three times a year. We estimate the annual burden to be 1500 hours, based on 15 minutes for each form. The estimated time is based on the amount of time needed to read and review the certification, and to review the list published by the Department of the Treasury. We estimate the annual cost to respondents to be about \$110,280. The respondents are mostly not-for-profit non-governmental organizations of various sizes.

(1) Preparation by semi-professional personnel:

Salary per hour	\$20.16
Fringe benefits & Overhead	<u>25.20</u>
Cost per hour	45.36

Hours to prepare 6000 forms  
at 5 min. each                      x 500

Est. cost for semi-professional personnel                      \$22,680

(2) Management review and execution:

Management salary per hour	\$39.20
Fringe benefits & Overhead	<u>48.40</u>
Cost per hour	87.60

Hours to review 6000 forms  
at 10 min. each                      x 1000

Est. cost for management review  
and execution                      \$87,600

(3) Total est. cost to respondents                      \$110,280

There are no additional mailing costs for these forms, since they are included with the application.

13. There are no start-up or maintenance costs.

14. We estimate the annual cost to the Federal Government to be approximately \$33,265 per year based on the following breakdowns:

(1) Review that the certification has been signed

GS 12, step 5 hourly rate	\$40.66
Fringe benefits & Overhead	<u>40.64</u>
Cost per Hour	\$81.30

Hours to review 6000 forms at 5 min. each	X500	
		\$40,650

15. Revisions were made regarding the certification burden due to the respondents providing a response three times a year vs. two. In addition, less preparation time was required for all involved parties due to their familiarity with the certification process. Also, salary costs and benefits costs increased due to inflation and an increase in the cost of living.

16. The results of this information collection requirement will not be published.

17. Not applicable

18. No exceptions are taken to the provisions of item 19 of OMB Form 83-1

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.