



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

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In reply refer to:
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MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Warsaw Initiative Fund Guidance, DSCA 05-18 [SAMM E-Change 33]

Effective immediately, Chapter 11 of the Security Assistance Management Manual (SAMM) is revised to include a section (attached) that provides guidance on the Warsaw Initiative Fund (WIF) Program. The section identifies the legal authorities for WIF, how WIF is used to support the Partnership for Peace efforts, the responsibilities of each involved organization, and the planning and implementation process.

This change will be included in the automated version of the SAMM found on the DSCA Web Page as SAMM E-Change 33. If you have any questions concerning the WIF Program, please contact Mr. Tim Kelly, DSCA/Operations at 703-601-3830. For questions regarding the SAMM contact Mr. Steve Harris, DSCA/Strategy, at 703-604-6611 or e-mail: steve.harris@dsca.mil.

A handwritten signature in black ink, reading "Freda J. Lodge".

Freda J. Lodge
Principal Director
Strategy

Attachment
As stated

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Warsaw Initiative Fund Guidance – SAMM E-Change 33

Add the following section to Chapter 11 of the SAMM.

C11.15. WARSAW INITIATIVE FUND (WIF)

In January 1994, the North Atlantic Treaty Organization (NATO) launched the Partnership for Peace (PfP) program to countries seeking cooperative military and peacekeeping relations with NATO. Table C11.T27. identifies the core objectives for Partner countries to pursue in their cooperation with NATO. To support PfP efforts, the United States established the Warsaw Initiative Fund (WIF). The WIF is jointly managed by the Department of State (DoS) and Department of Defense (DoD). The DoS portion of WIF uses Foreign Military Financing (FMF) grants, provided according to the laws and policy governing foreign assistance. The DoD portion of WIF uses defense-wide Operation and Maintenance (O&M) and Research and Development (R&D) funds, provided according to the laws and policy governing these types of funds. The following guidance applies solely to the DoD portion of WIF.

Table C11.T27. PfP Program Objectives

#	Objectives
1	Implement programs consistent with decisions of NATO leaders at the Istanbul Summit (e.g. defense transformation, Global War On Terrorism (GWOT) support, Weapons of Mass Destruction (WMD) preparedness, & niche capabilities).
2	Facilitate transparency in national defense planning and budgetary processes.
3	Ensure democratic control of the armed forces.
4	Maintain capability and readiness to contribute to operations led by the U.S. or NATO.
5	Develop cooperative military relations with NATO for the purpose of joint planning, training and exercises in order to strengthen the ability of partners to undertake missions in the fields of peacekeeping, search and rescue, humanitarian operations, and others as may subsequently be agreed.
6	Develop interoperability between NATO members and PfP partners.

C11.15.1. WIF Authorities. The Department of Defense implements the WIF program at the direction of Congress using existing statutory authorities under sections 168, 1051, and 2010 of Title 10, United States Code and authorities governing use of Operation and Maintenance funds. Table C11.T28. summarizes the U.S. Code WIF authorities.

Table C11.T28. WIF Legislation Summary

Legislation	Subject
10 U.S.C. 168 (reference (dh))	Authorizes payment of expenses of military-to-military contacts and comparable activities designed to encourage democratic orientation of defense establishments and military forces of other countries. Activities include traveling contact teams, military liaisons, exchanges of personnel, seminars, and conferences.
10 U.S.C. 1051 (reference (bt))	Authorizes the payment of travel, subsistence and similar personal expenses for defense personnel of developing countries in connection with attendance at bilateral or regional conferences, seminars, or similar meetings. Attendance must be in the U.S. national security interests.
10 U.S.C. 2010 (reference (bu))	Authorizes the payment of incremental expenses of a developing country incurred as the direct result of participation in a bilateral or multilateral military exercise if the primary purpose is to enhance U.S. interests and the participation of the developing country is necessary to achieve the fundamental goals of the exercise. Incremental expenses are “reasonable and proper costs of goods and services consumed by a developing country as a direct result of that country participating in the exercise with the United States.” It does not include items such as pay and allowances, and normal costs of a country’s personnel.

C11.15.2. Eligibility. Developing countries that are PfP members are eligible for WIF. WIF Program Managers should use World Bank lists of developing countries to determine which Partners are developing countries. Current developing country Partners are: Albania, Armenia, Azerbaijan, Belarus, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Macedonia, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan.

C11.15.3. WIF-Supported Programs. Under existing statutory authorities, WIF can support military exercises and an array of interoperability programs, conferences, exchanges, seminars, and studies. WIF may be used in conjunction with other types of funding such as Cooperative Threat Reduction (CTR), Combatant Command (COCOM) Initiative Fund (CCIF), Traditional COCOM Activities (TCA), Official Representation Funds (ORF), Emergency, Extraordinary, Expenses (EEE), FMF, IMET, and NATO funds.

C11.15.3.1. Military Exercise Support. WIF can be used to pay incremental expenses for eligible PfP partners’ participation in PfP and “in the spirit of PfP” exercises. WIF can support partner participation in an exercise only if U.S. Forces are also participating. High priority is placed on partner participation in exercises that support declared niche capabilities or greater interoperability with U.S. or NATO forces. COCOMs manage exercise programs to meet theater specific security cooperation goals.

C11.15.3.2. Interoperability Programs. WIF can be used to pay eligible PfP Partner costs to participate in interoperability programs such as those identified in Table C11.T29.

Table C11.T29. Interoperability Programs

Interoperability Programs	
C4I Studies	Regional Airspace Studies
Logistics Exchanges	Navigational Aids Studies
Public Affairs Exchanges	Civil Military Planning Seminars
Legislative Affairs Exchanges	Infrastructure Assessments
Environmental Exchanges	Defense Assessments and Studies
Inspector General Exchanges	Defense Planning Seminars
Comptroller Exchanges	Defense Resource Management Seminars
Parliamentary Seminars	Partnership Information Management

C11.15.3.3. Other Programs. WIF can be used to pay for additional outreach programs and initiatives that may emerge to respond to guidance established by the Office of the Secretary of Defense. The Deputy Assistant Secretary of Defense (International Security Policy, Eurasia) will provide policy guidance on new program initiatives. New initiatives must benefit the Department of Defense.

C11.15.3.4. Travel By U.S. Participants. WIF is intended for PfP partners, and generally does not pay for U.S., Allied, or non-partner expenses. U.S. Government (USG) or DoD representatives may be funded according to law and current policy guidance when their expertise is critical to the execution of the event.

C11.15.4. Items Not Supported by WIF. WIF cannot be the primary source of exercise funding and cannot be used to support U.S. participation in exercises, except as noted in

paragraph C11.15.3.4. WIF cannot pay for courses, since they are regarded as “training.” Other sources of funds (e.g., International Military Education and Training (IMET)) should be used for training or education where coursework is involved. WIF cannot be used to support activities that are defined as “material assistance,” such as provision of weapon systems, equipment, courseware, etc.

C11.15.5. WIF Organization Responsibilities. Table C11.T30. identifies the DoD organizations and their responsibilities in support of the PfP Program utilizing WIF.

Table C11.T30. WIF Organization Responsibilities

Organization	Responsibility
ASD (International Security Policy)	<ul style="list-style-type: none"> - DoD lead for WIF and PfP policy - Determine WIF planning, prioritization, and funds distribution - Primary interface between country desks officers at OSD, Joint Staff, DSCA, and COCOMs - Report WIF status and results to Congress via DoS annual report - Provide oversight of OSD interoperability programs - Assess annual COCOM and Interoperability Program objectives - Coordinate and seek DoD Office of the General Counsel review, as necessary - Review/approve annual program submissions; ensure appropriations are executed by DSCA - Maintain direct link to NATO via U.S. Delegation to NATO
DSCA	<ul style="list-style-type: none"> - Manage WIF program execution - Manage cost, schedule, and performance related to WIF program execution - Develop programs and activities in response to policy guidance - Prepare budget materials - Defend budget requests to USD (Comptroller); support Office of Management and Budget (OMB) and Congressional inquiries - Determine if costs requested by activities are allocable to WIF - Provide funds certification - Allocate approved funds to WIF receiving activities - Issue funds to field activities - Quarterly provide WIF financial management and program accountability (obligations, expenditures, reconciliations) to ISP Eurasia, WIF Policy Managers - Provide legal analysis in support of DoD Office of the General Counsel, as necessary
Joint Staff/ COCOM	<ul style="list-style-type: none"> - Provide administrative oversight of COCOM PfP exercise and interoperability programs - Plan and prioritize WIF in support of individual COCOM activities - Coordinate Secretary of Defense guidance and regional COCOM plans with DSCA and DASD Eurasia WIF policy managers. - Coordinate with National Guard Bureau (NGB) as necessary to ensure the best use of National Guard and State partner assets - Maintain direct link to NATO via U.S. Mission to NATO and U.S. National Military Representative at Supreme Headquarters Allied Powers Europe (SHAPE)
Program/Activity Managers	<ul style="list-style-type: none"> - Plan, prioritize, and implement PfP activities - Coordinate as necessary to ensure priorities are aligned with strategic plans and ASD (ISP) priorities - Conform to DoD Financial Management Regulations, guidelines, and standard operating procedures (SOP) addressing fund acceptance, disbursement, reporting, expenditures, and fiscal year closeout. (These are available from DSCA (Business Operations Directorate).) - Provide annual and quarterly WIF fiscal summaries to DSCA and DASD Eurasia to satisfy mandated Congressional reporting

Organization	Responsibility
	<ul style="list-style-type: none"> - Ensure monthly obligation and expenditure reporting is accomplished - Ensure WIF is implemented in accordance with published DoD and COCOM guidance - Influence strategic planning as necessary to achieve regional objectives - Identify performance metrics representing program successes and challenges
In-Country PfP Coordinators	<ul style="list-style-type: none"> - Facilitate planning and implementation of WIF within the assigned country, in coordination with COCOMs and lead WIF management activity - Implement programs in accordance with guidance provided by the requiring activity - Coordinate annual requirements to COCOM and participate in short and long term planning - Maintain fiscal transaction capability via a qualified financial tracking system
PfP Recipient Nations	<ul style="list-style-type: none"> - Fulfill the democratic principles as agreed to in the PfP Framework Document - Plan, prioritize, and execute PfP objectives as agreed to in the Euro-Atlantic Partner Work Plan (EAPWP), Membership Action Plan (MAP), and Individual Partner Action Plan (IPAP) - Ensure ratification of PfP Status of Forces Agreement (SOFA) - Collaborate with Partnership Coordination Center (PCC) representatives at SHAPE to coordinate PfP activities and access NATO common funding as required - Ensure necessary in-country PfP administration and support is established and maintained
Defense Finance and Accounting Service	<ul style="list-style-type: none"> - Provide accounting support to all WIF activities - Maintain official accounting records - Distribute monthly accounting reports

C11.15.6. Budgeting and Financial Execution. DSCA (Business Operations Directorate) maintains SOPs for use by the WIF program. In July of each fiscal year, MILDEPs, COCOMs, and Regional Program Directors submit WIF budget proposals to the Deputy Assistant Secretary of Defense (DASD) Eurasia and DSCA for projects proposed for execution in the next fiscal year and estimates of WIF requirements for the budget years. Each proposed activity is coordinated with the OSD desk officer, Joint Staff, and in-country teams before submission. DASD Eurasia, in consultation with DASD Europe and NATO policy, reviews submissions and consolidates initiatives into an annual WIF plan and estimates for the budget years. These annual requirements are forwarded to DSCA for execution and funding on a quarterly basis. The annual WIF plan will be adjusted throughout the year to respond to emerging requirements. The DSCA WIF Program Director will coordinate with DSCA (Business Operations Directorate) on quarterly financial allocations for all WIF activities. Quarterly funding requests to execute the fiscal plan are provided to the DSCA WIF Program Director one month prior to beginning of each quarter. Extensive DoD Planning, Programming, Budget and Execution (PPBE) information is available via the Financial Management Regulation website (<http://www.dod.mil/comptroller/fmr>).

C11.15.7. WIF Funding Guidelines. WIF is demand driven by PfP events that are of the highest priority to U.S. national interests and NATO initiatives. Partner's total funding depends on the number of exercises and interoperability programs in which it is capable of participating. It is imperative that country defense attachés and security assistance officers participate in the requirements and prioritization process. Recipients of WIF are responsible for the administrative control of funds and record keeping. This requirement is based in law, instructions issued by OMB and the DoD Financial Management Regulations, which contain guidelines on budget execution. DoD WIF are one-year O&M funds that must be obligated in the year for which they are appropriated. Each WIF activity must plan for effective execution of funding on an annual

basis. The WIF RDT&E, defense-wide funding for the PfP Information Management System (PIMS) will be centrally managed by the DSCA WIF Program Director.

C11.15.8. WIF Program Planning and Execution. After DASD Eurasia and the COCOMs have approved the fiscal plan, the Program/Activity Manager manages program implementation, maximizing in-country assets as necessary. Each manager is responsible for determining cost, schedule, and performance associated with their program. DASD Eurasia provides policy guidance and DSCA assumes implementation and execution responsibilities. WIF Program Managers should contact DASD Eurasia for questions of policy, and DSCA for questions regarding fund use. DSCA (Business Operations Directorate) provides direction concerning budgetary, financial and contract questions.

C11.15.9. Procurement Requirements Documentation (PRD). Each WIF receiving activity generates and manages its own contracts to ensure timely execution of budgeted and approved plans. DSCA (Business Operations Directorate) manages those actions where DSCA pays directly for contracted services and support. Each activity submits the documentation required to initiate a procurement request for services or supplies. At a minimum, 60 days prior to award date, the contracting office requires: a Performance Work Statement (PWS); an Independent Government Cost Estimate (IGCE); an Administrative Service Request (DD Form 1262); a written request regarding the requirement; and, a Justification and Approval (J&A) in accordance with FAR Part 6.302 (reference (ak)) if circumstances permit other than full and open competition.

C11.15.10. WIF Program Planning and Implementation Process. Table C11.T31. summarizes the annual WIF planning and implementation process.

Table C11.T31. WIF Program Planning Timeframe and Implementation Process

Steps (Date)	Actions
1 (June)	WIF is recognized as a method to fund PfP Partner participation in exercises, and activities, exchanges, conferences, or other interoperability programs that support defense institution building, defense reform, achievement of greater interoperability and development of capabilities that support the GWOT. Details can be found in the ASD(ISP) annual plan or various NATO publications that outline areas of cooperation and Partnership Action Plans.
2 (June)	<ul style="list-style-type: none"> - Partners choose the events they desire participation and list them in their Individual Partner Action Plan (IPAP). - Plans are reviewed by the Security Assistance Organization (SAO), COCOM, and ASD(ISP).
3 (June)	ASD(ISP) solicits WIF activity proposals from COCOMs, Joint Staff, MILDEPs and Program/Activity Managers.
4 (July)	ASD(ISP) consolidates requirements and develops the annual DASD WIF guidance. It is then published for use by WIF activity managers.
5 (August)	DSCA (Operations) WIF Program Director synthesizes approved requirements to the WIF Financial Manager in DSCA (Business Operations Directorate) via memorandum.
6 (Oct)	<ul style="list-style-type: none"> - USD(C) allocates WIF funding in quarterly amounts to DSCA (Business Operations Directorate) who in turn allocates approved amounts to WIF activities in coordination with the WIF Program Director. - Execution of exercises, exchanges, and interoperability programs commences.

Steps (Date)	Actions
7 (Jan)	Program Review - normally there is at least one major program review to conduct strategic planning, assess performance of WIF, and communicate initiatives within the DOD and the interagency. Additional program reviews are held as required.
8 (Nov/April)	Financial Reviews convened to assess funds obligations, expenditures, and yearly performance.
9 (Continuous)	Each WIF activity implements planned events and documents performance results for communication to the Security Assistance community. Reporting formats and distribution are managed by DSCA (Business Operations Directorate).
10 (Continuous)	DSCA/ASD(ISP)/Joint Staff/COCOMs monitor execution and make adjustments as required. New or significant revisions to annual requirements are considered "Out of Cycle" requests. The format and worksheet for requesting "Out of Cycle" WIF is provided in Figure C11.F19.
11 (Continuous)	ASD(ISP) will determine the viability of the "Out of Cycle" requested events/activities and their relative priority to overall WIF annual requirements. DSCA and the requesting activity will provide input as necessary to support recommendations.
12 (Continuous)	Approved "Out of Cycle" requests are implemented by the DSCA (Operations) WIF Program Director via memo to the DSCA Financial Manager to release funding to requiring activity. These requests may require a budget offset when DSCA lacks sufficient Operation and Maintenance Funds.
13 (monthly)	DSCA (Business Operations Directorate) provides monthly reports to OUSD(C) on the financial performance.
14 (annually)	DASD Eurasia drafts a chapter on WIF program accomplishments and provides to DoS for inclusion in the annual PfP Report to Congress. This report is a statutory requirement levied on DoS by Congress.

Figure C11.F19. WIF “Out of Cycle” Request Letter/Worksheet Format

Command Letterhead	
From:	Director, [insert Command]
To:	Office of the Secretary of Defense, Policy Attn: Assistant Secretary of Defense (International Security Policy), WIF Program Managers
	Director, Defense Security Cooperation Agency Attn: Operations, WIF Program Director
Subject:	Out of Cycle Request for Warsaw Initiative Funds to Support [insert Title]
Enclosure:	WIF Request Worksheet – [insert proposed activity and recipient country]
<p>This memorandum requests WIF to support [insert Title], scheduled to take place on [insert date]. The following is forwarded for your consideration.</p>	
Event/Activity Purpose:	
Funding Required:	
Cost Breakdown and Supporting Detail:	
Explanation how event/activity supports WIF objectives:	
Project and Financial Administration POC's:	
Proposed Budget Offset:	
<p>The point of contact for this action is [insert name, telephone number, and e-mail address].</p>	
Attachments as required	

WIF “OUT OF CYCLE” WORKSHEET	
Proposed Recipient: [insert country name and armed forces branch]	
Activity/Event Description/Purpose:	
Personnel required: [insert USG and foreign nationals]	
Equipment/Materiel Requirements: [insert name and nomenclature]	
Travel Requirements:	
Proposed Dates of WIF activity/event: [insert month, date and year]	
Detailed Justification for the event/activity: (include special circumstances why this WIF requirement must be performed; why it is advantageous to U.S. interests to conduct the activity/event, adverse consequences to strategic interests or schedules if not performed, etc.)	
Cost of Event/Activity: [insert dollar value and supporting details]	