

AIRGRAM

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SUMMARY

This airgram synthesizes the experience Washington and the field have accumulated over the past decade's functioning of the Special Self-Help (SSH) program. We hope it will help posts understand the possibilities inherent in the program. Comments and suggestions from the field are encouraged to assist in its on-going improvement.

The USAID Manual Order 1323.1.2 of July 1, 1973 and AID Handbook 19 on accounting activities are the regulations that govern the administration of the SSH program. While we will soon review them with an eye to their revision, nothing in this airgram supercedes any existing regulations. If any mission has suggestions on how to address particular problems they have encountered in the SSH program, please inform State/AF/EPS.

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BACKGROUND

The SSH program provides funds to be spent under the direction of the Ambassador on small projects that are initiated locally and are outside USAID programs. The program is designed to enable the Ambassador to respond quickly and without regard to comprehensive and/or sectoral constraints found in bilateral USAID programs. The SSH program provides a means whereby embassies can extend limited assistance directly to communities with major opportunities for local impact. It has been our experience that no other program, dollar for dollar, produces as much good will and visible results as SSH.

The SSH program is intended to be flexible in order to meet the demonstrated needs of both the local community and US interests. The time required for implementation is short, and the projects are small (usually in the range of \$1,000 to \$10,000). While the program is designed to minimize paperwork, there are explicit procurement, reporting and record-keeping requirements.

ORGANIZATION AT POST

While the SSH program is the direct responsibility of the Ambassador, its day-to-day management is normally delegated to an SSH Officer. The SSH Officer is either selected from the mission's FSO staff or hired with other mission funds. SSH funds cannot be used to fund the program's administrative requirements of the program.

Experience demonstrates that the SSH program is labor intensive. Posts planning new or expanded programs should not underestimate the time, travel funds and clerical support a successful program requires. Since staff and funds are tight at most African posts, priorities for an SSH program need to be considered against competing demands on Embassy staff. The program requires an effort, but the travel, experience and grass roots goodwill gained from managing the projects should benefit other activities of the Embassy.

Maintaining continuity in the country program is a key factor in selecting the SSH Officer. With frequent transfers at most posts, institutional memory is weak. Two years seems a minimum for effective leadership. Posts should keep in mind that the SSH Officer must spend considerable time traveling and making on-site visits. Such travel may tie in, however, with other job requirements of the selected officer. The regular

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and extended travel up-country can provide inputs to any substantive officer's understanding of the country in which he/she is serving. Field experience has demonstrated that an administrative officer or any other member of the country team who is needed on a day-to-day basis at the Embassy may not be a good choice, even though such an individual otherwise may be ideal for managing the program.

Many Embassies have found that the full- or part-time assignment of a FSN can contribute to the continuity of the program's management. On the other hand, programs where one person assumes complete responsibility over an extended period have been found to lose the flexibility and freshness which characterize the best SSH programs. Missions might consider employing third country nationals as SSH staff where local conditions indicate that an outsider can avoid charges of regional or ethnic favoritism. Finally, many posts manage the program by employing mission spouses in PIT positions.

Peace Corps Volunteers (PCVs) frequently play invaluable roles in originating and coordinating projects, overseeing implementation, conducting on-site visits, and the like, in countries where a Peace Corps program exists. Well managed programs can develop a synergism from which both the PCVs and the Embassy benefit. It is critical, however, that SSH projects not collapse once the originating PCV leaves country. While PCVs have been key contributors to the success of programs in several countries, field inspections have demonstrated that a fine line must be walked between utilizing PCVs fully and delegating too much program management to them. In brief, care should be exercised to ensure that the program does not become merely a Peace Corps support tool to the detriment of overall SSH goals.

Several posts have found a Self Help Advisory Group beneficial. The Group --consisting of mission members with an interest in self help activities-- advises the Ambassador on program goals and assists the SSH officer in developing and vetting projects for final approval. There exists a direct correlation between the widest possible Mission involvement in the SSH program and its success.

Overall guidance of the post program should be provided by a policy statement written by the Ambassador. This statement specifies the purposes and goals of the country program. A yearly review of the statement helps keep the SSH program fresh. The SSH program can be used as the leading edge in the Mission's response to new local situations or new USG initiatives.

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An example of one ambassador's policy statement is attached at the end of this airgram. AF/EPG would appreciate receiving copies of other post's statements in order to share them more broadly.

ELEMENTS OF SUCCESSFUL PROJECTS

USAID regulations, general experience and the original intent of the program all provide a few general rules that apply to all SSH programs:

- STRESS LOCAL INITIATIVE AND INVOLVEMENT: The school for which the village set aside land, collected materials and contributed labor is likely to be a better project than the chicken farm which disappeared after its initiator went on to other things.

- MAXIMIZE THE NUMBER OF BENEFICIARIES: The bridge to a cabinet minister's farm might have an immediate political payoff, but the provision of materials for a rural agricultural scheme that will serve 300 people is really closer to what SSH is all about.

- IMPROVE ECONOMIC OR SOCIAL CONDITIONS: Tools, fencing and cement for a garden cooperative will help people help themselves.

- IMPLEMENT PROMPTLY: Don't begin projects that can't be completed within one year. Staff turnover severely limits the attention span of any mission. Don't finance projects where implementors may come to expect continuing USG involvement (e.g. purchasing spares).

- CONSIDER THE LOCAL ABILITY TO MAINTAIN: Don't "buy American" if local mechanics are only familiar with Japanese equipment. And don't rush into being too innovative: If local entrepreneurs haven't discovered "it" yet, maybe they know something you don't. Does the operation generate a cash flow that will allow for the purchase of (imported?!) spares?

Plus, there are specific types of projects that law, regulation or experience say are bad ideas:

- Don't directly support religious, police or military activities. While SSH funds may be used for projects of general economic or social benefit sponsored by religious or military/paramilitary groups, it is always a sensitive judgment

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call that ultimately must be made by the post.

-- SSH funds shouldn't replace or supplement activities normally supplied by governments. Don't pay for sidewalks or roads/bridges unless there is a clear community contribution, e.g., providing concrete where local villagers provide manpower for a bridge. An excessive emphasis on schools and health clinics (the easiest form of SSH) is undesirable, though there are no objections to some grants in this area.

- Projects costing over \$25,000 are not encouraged and need the approval of State/AF/EPS. Projects averaging even half of that amount aren't going to permit very many projects each year.

- Former USAID projects cannot be continued using SSH monies.

- SSH funds cannot be used to cover the administrative or operating costs of the program itself. Every SSH dollar must go to the projects.

- Projects selected under SSH should be able to be completed without dependence upon future grants. SSH is not meant to fund on-going projects.

- Be kind to your USAID Controller. This program causes your local Controller incredible aggravation over what in any other USAID program would constitute "petty cash."

PROJECT SELECTION

The method you employ to select projects depends entirely on local circumstances. Most posts by now have a history of successful projects upon which they can build. Posts which have never had an SSH program -- or have not developed some sort of institutional memory -- will have to develop ways to publicize the program's possibilities. Some posts have an informal selection committees with representation from country team agencies; for others, it is simply a "committee of one."

Field inspections have shown that the most effective SSH programs are those that fund several small projects rather than one or two large ones. Some posts try to limit the funds dedicated to each individual project to ten or fifteen percent of their annual allocation in order to ensure that their individual activities will be numerous and scattered around the country. You should consider how projects are distributed

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geographically and by economic sector. In order to ensure that the community retains some sense of involvement in the SSH project, some Missions require that at least 25% of the cost be provided by the local sponsor in cash or in kind.

There is a balance to be struck, though. There is a limit to the number of discrete projects that an SSH officer can manage effectively and still accomplish his/her primary job. An SSH officer probably can't manage more than 25-30 individual projects a year and still claim he/she has control.

Most posts have effectively used SSH to publicize the involvement of the United States Government in local socio-economic development. The number, nature and geographical distribution of projects often lead to a broader public awareness of the USG's interest in local development than one or two larger assistance projects. Attention to public relations is important in planning projects. Where suitable, plaques or other markers should be used to reinforce local awareness of USG involvement. Naturally, media coverage is always desirable. USIA should be kept informed and involved in the overall SSH program and not just be called upon at the last minute to help with public relations.

Many posts have written brochures or pamphlets explaining the SSH program to potential SSH participants. A detailed local post guide to the SSH program can even be a useful tool for informing new mission personnel who will have something to do with the program. AF/EPS can furnish sample copies of such guides to posts which are interested in preparing either new or revised versions. AF/EPS would also appreciate receiving additional examples.

The general guidelines above are not meant to be restrictive. By necessity, SSH must be flexible. The views of State/AF and AID/AFR can be sought if posts have specific questions about a project.

GENERAL AGREEMENT FOR SPECIAL SELF HELP

USAID regulations require that a General Agreement be signed whenever possible by both the US Government and the cooperating government. This framework document sets forth the terms and conditions within which Self Help activities may be undertaken. The General Agreement neither makes any commitment to undertake self-help activities nor obligates any funds. It is a one time document which remains in effect until terminated by either party with thirty days notice.

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In the absence of a General Agreement, the host government's approval must be obtained on each Individual Activity Agreement (IAA), in addition to the signature of the Embassy and the IAA implementor. This is time consuming and tends to result in the host government becoming excessively involved in project selection. Some posts have found it necessary to discuss projects with host governments before approval. This is acceptable. But if it becomes clear that projects are being dictated by the host government, we would prefer to cancel the program.

In part due to the gradual, incremental spread of SSH programs, not all missions have signed General Agreements. Each post should check its files to see if a General Agreement has been signed and filed. If no record of a signing is found, posts should consider approaching to the host government to negotiate one. (Countries in which USAID/Peace Corps Small Project Assistance Programs operate have recently negotiated similar framework agreements.) Experience has shown that a low key approach avoids raising expectations that the USG is about to start or expand a more general assistance program. If there are local circumstances under which signing such an agreement would not be productive, posts should communicate its reasons to AF/EPS and review its position on an annual basis. Please transmit a copy of the General Agreement, a timetable for negotiating one or an explanation of why it is not appropriate to initiate a negotiation to State/AF/EPS and AID/AFR/DP ASAP.

RECORDS AND REPORTS

While every effort has been made to keep the paperwork in the SSH program simple, the expenditure of USG funds requires that adequate records be kept. We always must be prepared to justify the use of those funds. Personnel with limited experience handling USG funds and appropriations should familiarize themselves with the accounting regulations governing these transactions.

In addition to the prudent accounting of funds, adequate record keeping is essential for a well-managed program. As previously noted, the institutional memory at African posts too often is poor. Good files can rescue a new SSH officer unexpectedly thrown into managing a program with no overlap. Meeting reporting requirements not only keeps Washington and regional controllers informed but also constitutes part of the essential record of the program that the post must maintain.

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On the other hand, posts should satisfy themselves that their record keeping is not too elaborate and that unnecessary reports are not sent. For example, neither State/AF/EPG nor AID/W need to receive copies of the IAAs; one copy should be sent to your respective Controller and another kept in your files. Additionally, brief hand-written notes on project visits, the confirmed date of the projects' completion, etc., are useful in making the file meaningful to the next SSH officer, as well as in any type of audit.

Both State/AF/EPG and AID/ATR/DP would like to receive copies of the required year-end summary report that lists: the IAA number; the name, location and implementor of the project; the amount obligated in US dollars; the number of individuals benefiting from the project; the self-help component contributed by the beneficiaries (in cash or kind); and a short description of what the project encompasses. In the year-end summary, it also would be useful if the distribution of projects by province or any other geographic benchmark and by their types (agricultural, educational, health, etc.) could be given.

THE BUDGET PROCESS

The allocation of monies each new fiscal year depends upon yearly Congressional approval. Unlike the State Department, which often receives its annual authorization and appropriation before the beginning of the fiscal year, USAID over the last several years has operated under continuing resolutions. As you have seen, delays occur doing business this way. Be assured that both State and AID make every effort to get your budget allowances out to you as quickly as the process allows.

Recognizing the difficulty we face each year, posts should be prepared to obligate most of their funds in the February to July period. Funds may not be available earlier than February and by July the reprogramming of unspent funds must begin. This will require having most of your IAAs already negotiated and ready to sign before this window appears.

In the future we ask that all implementing IAAs be signed on or before August 15 to allow USAID to finish the end-of-year paperwork involved.

Each year the total requests for individual programs far exceed the overall SSH allocation. Not surprisingly, posts that maintain good records on projects, obligate their budget and fallout funds in a timely manner, and meet the reporting requirements tend to receive budget increases. These increases, though, only come at the expense of some other mission's budget allocation, for this is essentially a zero sum game we are playing.

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ACTION REQUESTED

Please send to the attention of AF/EPS:

- 1) Post comments on ways to improve the SSH program and current regulations;
- 2) Copies of your Ambassador's policy statement on SSH and any other internal guides which may be shared with other posts;
- 3) Examples of guides offered to the public explaining the SSH program as well as the approval process; and/or
- 4) Examples of plaques or other lasting indications of USG participation in SSH projects, as well as any other publicity a mission has found particularly successful.

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