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Bay Region Agricultural Development Project

A report submitted through the United States
Agency for International Development Mission, Mogadishu

by

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ABBREVIATIONS

- ADC - Agricultural Development Corporation
- BRADP - Bay Region Agricultural Development Project
- FACO - Multipurpose Cooperative (Farmers Agricultural Coop)
- GNP - Gross National Product
- GSDR - Government of the Somali Democratic Republic
- LDA - Livestock Development Agency
- MLFR - Ministry of Livestock, Forestry and Range
- MMWR - Ministry of Minerals and Water Resources
- MOA - Ministry of Agriculture
- MPW - Ministry of Public Works
- NRA - National Range Agency
- ONAT - National Tractor Hiring Agency
- PMU - Project Management Unit
- SRSP - Somali Revolutionary Socialist Party
- USAID - United States Agency for International Development
- USCM - Union of Somali Cooperatives Movement
- WDA - Water Development Agency

RECOMMENDATIONS

1. Introduction

The Bay Region Agricultural Development Project has many of the attributes of an integrated rural development project.

2. Institutions Serving Crop and Animal Husbandry

Eight departments and agencies are directly involved in it and seven more indirectly. The project provides for their integration through a regional Project Management Unit.

3. Institutionalization of Decentralization

Regionally-based rural development is appropriate, and efforts should be made to institutionalize such decentralization in Somalia. As a device for legitimating and facilitating decentralized integration, the inter-ministerial Coordinating Committee concept should be strongly supported.

Nonetheless, additional steps will need to be taken to assure the full participation and integration of all participating organizations. A Technical Committee should be created at the regional level. Its function would be to coordinate between agencies and departments and to set project policies in those areas that will affect the operation of more than one unit. The Committee would meet at least once a month and as called by the Project Director. Majority vote decisions of the Technical Committee would be binding on the project with two provisos: 1) Any matter on which either the Project Director or the Technical Manager dissent from the majority would be referred to the ministerial-level Coordinating Committee for resolution. 2) Nothing may be undertaken contrary to the agreements with the donors without their consent. The suggested membership of the Technical Committee is--the Project Director; the Technical Manager; the Financial Controller; the regional heads of the MOA, Bonka Research Station, Veterinary Service, NRA, WDA and MPW; and the senior technical assistant in the region working on each of agricultural extension, agricultural research, veterinary services, range management, water and public works. Furthermore, in the spirit of multi-agency direction, the title of deputy Project Director should be held by whomever among the Somali regional staff is best qualified and experienced, whatever his ministry or agency.

4. National Linkages

The substantial independence of the project should not lead it to neglect the importance of its remaining national linkages.

A particular problem area may be water. USAID should prompt an exchange of binding correspondence between the WDA and the MOA, committing the WDA only to send the rigs and supporting personnel which USAID has provided to WDA for the Bay Project out of the region if and when its drilling commitments there have been completed. As a first step in this direction USAID should convene a meeting at the highest level between WDA and MOA. In addition, USAID should agree to use its influence and authority as the donor to assure that the drilling program be carried out on a timely basis. It is important to the success of the project that these actions be undertaken. If they are, there is an acceptably low probability of managerial failure in the water area, and USAID's objectives of institutionalizing WDA's capacity will have been met. As a further aspect of this problem, all ambiguities between donors about levels and sources of support for the water component of the project must be resolved before it is approved.

5. Popular Participation

To date no provision has been made for popular participation in the project, which would add much needed information and support. Early in its life BRADP should establish a Crop and Livestock Advisory Committee in each of the four project districts. Committee members should be drawn from active crop and animal husbandmen and women.

6. Personnel

Because of the critical shortages of high-level manpower in Somalia, expatriates will have an even more direct impact on the performance of all staff than is usual. It is critical that technical assistance be provided in the form of resident staff and not short-term consultants. Only the former can provide the guidance to Somali staff and the learning from doing which are vital to the project's success.

Language will be a problem among the project staff, as Somalia has not stressed English instruction. It is recommended that the equivalent of four weeks of intensive Somali language training be provided to expatriate technical assistants after work hours. Similarly intensive English language training should be provided after work to the high- and middle-level Somalis on the project who are not reasonably fluent already.

7. Remuneration

Government salaries are dysfunctionally low in Somalia, but the provision of extra allowances by various donors is threatening to get out of hand. GSDR should be asked to appoint a commission to establish guidelines for maximum payable allowances for various work conditions and employment levels. If this is not possible, a guidelines policy for BRADP should be established by the inter-ministerial Coordinating Committee. Donor agencies should respect these guidelines. At a minimum USAID should try to insure that the various agencies and departments involved in BRADP have comparable allowances.

8. Rural Outreach

Existing Somali development staff have difficulty getting out into the villages. It is important to the project that the needs for motorized transport be met but that they be kept moderate. No service arrangements should be instituted that would be rendered largely ineffective by a partial cut in motorized transportation. It should be firm project policy to house base-level veterinary and extension staff in the villages.

9. Supply Shortages

A major cause of poor administrative performance in the regions is shortages of critical supplies. BRADP should urge national agencies to budget and authorize expenditures at the start of the year for supplies which are critical and the need for which is at all predictable. The Project Management Unit should offer its own accounting services, if an accounting agent is needed, to facilitate such authorization. As water is such a critical resource, USAID should provide increased funds through BRADP to build a regional store of pump parts for WDA. The PMU also should authorize well in advance expenditures for supplies which are critical to the operation of its constituent units. All vehicles procured by the project should be ordered with a full complement of spare parts.

10. Inflation and Flexibility

As there are major unknowns concerning the environment of this project, it is vital that BRADP have a significant contingency fund to provide for flexible response. Such funds have been effectively eliminated by the combination of inflation and the World Bank's close budgeting. Every effort should be made to get the World Bank and its affiliates to increase their commitments to the project.

to take account of inflation. Failing this, USAID should consider use of some of its PL480 Somali shillings fund to support a meaningful BRADP contingency fund.

USAID should accept the GSDR Magistrate of Accounts as the project auditing unit, subject to USAID audit review, if the World Bank provides technical assistance to it. (Section 1)

11. Conclusions

BRADP is managerially sound and should work acceptably if the problems with WDA are solved. Acceptance of the other recommendations above will add significantly to the effectiveness of the project. Equally important, with only a few changes, BRADP can make a significant contribution to the institutional development of Somalia by being its first experiment with decentralization.

ACKNOWLEDGEMENTS

This paper is based on work done in Somalia from February 17 through March 7, 1980. Over 40 interviews were conducted in Mogadishu (the capital), Baidoa (the headquarters of Bay Region), and two villages near Baidoa.

My work went unusually quickly and well, especially due to the assistance of Mohamed Warsame, the Project Director designate of the Bay Region project. He accompanied us to the field, translated for us when necessary, secured appointments for us, and spoke his views frankly. He will do well as Director, and I wish him well. Gary Nelson of USAID also was most helpful in making contacts for us and open in sharing from his knowledge and experience.

Finally, I would like to express my appreciation to Maurice Sorenson and Alan Jacobs, who shared most of my travels as they worked on their own reports on the Bay Project. They were congenial, wise and helpful colleagues.

Mogadishu
March 7, 1980

1. Introduction

The Bay Region Agricultural Development Project (BRADP) involves the departments and agencies of four ministries of the Somalia Democratic Republic. In effect, if not in name, it is an integrated rural development project, with all the inter-organizational complications that integration implies. To add to the complexity, the project is funded from five sources in three distinct administrative groups--the African Development Fund, the International Development Association, and the International Fund for Agricultural Development, administered by the World Bank; the U.S. Agency for International Development (USAID); and the Government of Somalia (GSDR). Given such a large number of independent organizational actors, administrative difficulties are inevitable unless they are given careful attention even before the project begins.

2. Institutions Serving Crop and Animal Husbandry

BRADP involves the departments and agencies of the Ministry of Agriculture, the Ministry of Minerals and Water Resources, the Ministry of Public Works, and the Ministry of Livestock, Forestry and Range. Each is headed by a Minister, aided by an Assistant Minister. Both attend cabinet meetings and are members of the newly elected People's Assembly. Ultimate authority resides with President Siad and the Political Bureau of the Somali Revolutionary Socialist Party (SRSP), but ministers enjoy considerable discretion in setting policy in their respective domains. Assistant ministers do not have decision making authority, but have influence as advisors to their ministers. Responsible to each minister is a director-general, who is the chief civil servant in the ministry. Directors of ministerial departments report to the director-general. In addition to the line civil service, however, three of the ministries involved in BRADP have one or more semi-autonomous agencies, headed by general managers who are responsible directly to the minister. Director-generals have no authority over these agencies, although they do have influence on policy matters which concern them by providing the staff support and policy advice to their ministers. Director-generals and agency general managers thus have a competitive rather than a hierarchical relationship, much like that of le chef de cabinet and le directeur in the French civil service.

In the Ministry of Agriculture (MOA) only the Departments of Extension and of Research have a direct involvement in BRADP. The latter has a station at Bonka, just outside of Baidoa, which will provide adaptive research to the project. The Extension Department is to provide trained agents to BRADP. In effect this department has been taken over by the Agricultural Delivery Systems Project (funded by USAID as 649-0112). The Project Management Unit for that project is responsible to the Director-General of the Ministry of Agriculture, and so retains a status similar to that of a department. Agriculture's Department of Cooperatives is not directly involved in BRADP but

provides services that are relevant to it. GSDR favors a cooperative approach to farming. Many farmers in the Bay Region belong to Multi-purpose Cooperatives (FACOs), which share marketing, storage, and other facilities. Some farmers also belong to Group Farms, which engage in state-supported collective production and which are constituent units of the FACOs. The Department of Cooperatives provides auditing and organizational guidance to both types of cooperatives, albeit imperfectly. This department is scheduled to be transferred from the Ministry of Agriculture to the Union of Somali Cooperatives Movement (USCM), at which point it could become an independent actor.

Two semi-autonomous agencies come under the Ministry of Agriculture, are not directly involved in BRADP, but are relevant to it. These are the National Tractor Hiring Agency (ONAT), which is responsible for the provision of all agricultural inputs except seeds, and the Agricultural Development Corporation (ADC), which is responsible for the marketing of food grains and seeds. The ADC has an extremely good record of getting to the farmers to purchase and move their food grains. Its prices have become increasingly competitive in recent years, although its 50% mark-up between farmer and miller shows a need for gains in efficiency. One part of the problem may be in storage losses, which the regional ADC reported at approximately 10% of the crop. The Bay Region farmers have the capacity to store food grains themselves for up to eight years. Several informed observers believe the traditional system has low spoilage rates; so, the farmers are not forced to sell. They have shown themselves to be quite price responsive; thus, the efficient operation of the ADC is important to the success of BRADP.

The National Tractor Hiring Agency (ONAT) controls the importation of farm inputs and their distribution to farms, often through other government agencies. The organization is quite ineffective and has not provided any inputs, save tractors, in the Bay Region for two years. The absence of high quality hoes is a major constraint on agricultural development in the area. ONAT's remaining area of real activity in the regions is tractor hires. (For the record, ONAT precedes the 1969 Revolution and is not a creation of Soviet aid.) The agency has 15 tractors in Bay Region and the FACOs have a few more. These are rented both to private and cooperative users. This picture will change dramatically in the near future, as it is understood that the Government of Iraq has agreed to provide Somalia with 5,000 tractors through ONAT over the next 5 years. It is not known what the implications of this will be, for it is unclear how operating and maintenance expenses are to be met. Bay Region does have a land surplus and a labor shortage, but it seems likely that the removal of the labor constraint at plowing will only create other severe labor constraints at later stages in the production cycle. Whatever the situation with respect to tractors, BRADP will need to either break ONAT's control on other imported inputs or improve its effectiveness in this function.

The Ministry of Livestock, Forestry and Range (MLFR) will have its Veterinary Service Department and the National Range Agency (NRA) directly involved in BRADP. The NRA is responsible for management of range reserves, fodder production and the maintenance of water points in range areas. Under the Range Act its approval is required for any rural bore hole, in order to try to protect the range. The NRA lacks the technical staff to perform these tasks adequately at present, but the USAID Central Rangelands Project (649-0108) will provide some of the needed training. Both the NRA and the veterinary service are scheduled to receive additional technical assistance training and support through BRADP.

The Department of Animal Husbandry of the MLFR may be relevant to BRADP, although it is not currently involved. The Department has no program or staff in Bay Region at present. It does have qualified junior staff already, however, and an operating training program. The Department's staff and program capabilities thus might be used in BRADP's livestock program to compensate for NRA's current weaknesses.

The Livestock Development Agency (LDA) of the MLFR will have an indirect impact on BRADP, as it purchases livestock in the area. Its prices are reputed to be competitive, and it reports that it moves about 25,000 head of cattle a month out of the Bay Region in the wet seasons. It cannot purchase or move cattle in the dry months as there are inadequate watering points along the overland stock driving route.

The Ministry of Minerals and Water Resources (MMWR) will be involved through its Water Development Agency (WDA) and possibly through its Geological Survey Department. The two are currently contesting which will control the technical expertise and data for water mapping. The WDA is becoming the sole source of well drilling capacity in Somalia, in part because of USAID decisions in the Comprehensive Groundwater Project (649-0104). Some, but not all, of the resources needed for the BRADP drilling program have been provided by USAID directly to WDA under that project (649-0104).

The Ministry of Public Works (MPW) will be directly involved in BRADP through its Highways and Mechanical Engineering Departments. The former is responsible for the construction and maintenance of roads, the latter, for the maintenance and repair of mechanical equipment (especially vehicles) for all government agencies. Both are scheduled to receive technical assistance, training and support through BRADP.

The regional administration is headed by a Governor, who also is Regional Secretary of the Somali Revolutionary Socialist Party (SRSP). Formally governors are appointed by and responsible to the Minister of Local Government and Regional Development. Party secretaries, however, are appointed by the Secretary-General of the SRSP, who is President Siad. In practice then, regional governors are responsible to and have

a line of communication to the President. In addition to many other functions, the governor's office collects local taxes, arranges for the payment of GSDR staff in the region, and serves as overall accountant for the government departments. The Governor has his counterpart in District Commissioners in each of Bay's four districts. They serve as well as District Party Secretaries and are responsible to the Regional Secretary. The Regional and District Party Secretaries provide general oversight and coordination to all GSDR activities within their areas. Staff are expected to obey their instructions if they are not in conflict with the directives of their respective national headquarters. The Regional Secretary frequently brings together regional officers to arrange for cooperation between them. This is usually done on a consultative, mediating basis and only rarely to give commands. These meetings are ad hoc as to timing, membership and agenda. Rarely, if ever, is the collectivity of regional officers convened.

There are Regional and District Committees of the SRSP. The Regional Committee has 16 members, comprised of the Regional and District Party Secretaries, the army unit heads in the region, some heads of government services and citizen representatives from the District Committees. The Party Committees have a role to play in the setting of local development policy, but it is unclear whether or not they meet frequently to do so.

Regional and District-elected Local Governments are now in the process of formation. The District Local Governments have been established in Bay Region, but the regional unit is not yet in existence. It is uncertain when it will be. The local governments are being resurrected now after having been laid down in the 1969 Revolution. It is unclear what their full functions will be, but before 1969 their jurisdiction was confined to matters they could finance out of their own tax revenues. It is unlikely that these Local Governments will, could or should play a direct role in BRADP.

Finally, the Magistrate of Accounts is the GSDR agency responsible for government auditing. It has an office in Bay Region and has been accepted by the World Bank as the auditing unit for BRADP. This unit once had a reputation for high integrity and professionalism. It now has fallen on hard times. The low salaries of its staff are rumored to create temptation. Also it lacks the staff to be universal in its audit coverage, so it is felt to be vindictive, when it does audit an agency. Enough of the reputation of the Magistrate of Accounts still remains for it to be salvagable. USAID should accept it as the project auditing unit, subject to USAID audit review, if the World Bank provides technical assistance to it.

3. Institutionalization of Decentralization

Eight departments and agencies are directly involved in BRADP and an additional seven will have an impact on its performance. This

is an unusually large number, even for an integrated rural development project. It reflects the organizational proliferation which is a distinctive feature of the GSDR.

Cooperation between agencies and departments typically is poor at the national level in Somalia. The President and the Politburo are decisive but do not actively promote integrative policies. Individual ministers sometimes find it difficult to control politically influential general managers of agencies under their jurisdiction. (The recent replacement of some technocrat ministers by politically powerful ones may change this.)

In the regions and districts cooperation between the agencies and departments appears to be fairly good. Field officers seem to know one another and to meet informally when appropriate. The Party Secretaries provide additional coordination as it is needed. Few and inadequate resources are fully controlled at the field level, however, so this local cooperation has a relatively limited impact on the character of GSDR operations.

BRADP is Somalia's first real attempt at integrated rural development or at regionally-based decentralization. Such an approach is overdue. As already mentioned, inter-agency cooperation is better at the local level. Also, relatively little is actually known about how to undertake rural development in Somalia. Regionally-controlled development will have better feed-back from field realities and will provide for a quicker and more appropriate adaptation to local conditions. Regionally-based rural development is appropriate, and efforts should be made to institutionalize such decentralization in Somalia.

The Project Management Unit (PMU) which the World Bank has negotiated for BRADP represents a big, first step toward decentralization and toward the assurance of inter-agency cooperation. In effect the PMU is like a regional development corporation. As the World Bank has proposed it, BRADP would be controlled at the regional level by a Somali Project Director and an expatriate Technical Manager (with the assistance of an expatriate Financial Controller). The Project Director is to be appointed by the Ministry of Agriculture, and the PMU falls under its authority. Under the law establishing it, the PMU is subject to the authority of the Minister of Agriculture and to an inter-ministerial Coordination Committee (see Appendix for the law) The function of the committee is to assure the cooperation of the relevant ministries by giving them a voice in the control of project policy. Such direct ministerial attention would not be replicable if more regional development corporations were to be created in Somalia, for they would not have the time or the interest to attend to a large number of them. Nonetheless, such a ministerial committee is desirable and essential at this stage to permit and institutionalize the concepts of decentralized development and inter-agency cooperation. The inter-ministerial Coordination Committee concept should be strongly supported.

The membership of the Coordination Committee as presently constituted is -- the Minister of Finance, the Minister of Agriculture, the Minister of Livestock, Forestry and Range, the Minister of Water and Mineral Resources, the Minister of Public Works, the Minister of State Planning, the Regional Governor (Party Secretary), and the Project Director. (The Ministers of Public Works and National Planning are missing on the English translation of the law. Their participation is important. Assurances have been given that this was a translation error and that they are included in the official Somali version.)

The World Bank Staff Appraisal Report (No. 2406a-50) envisages that full department and agency cooperation will be assured by two further devices -- (1) the passage of a law seconding the regional staff of the relevant GSDR units to BRADP, and (2) giving the PMU full control of the project's financial resources, thus rendering participation by other units irresistible.

For a wide variety of reasons, these two devices are inadequate. (a) A substantial proportion of the funds necessary for BRADP water development already have been provided directly to the WDA by USAID (649-0104). (b) The secondment to the project of staff in Bay Region does not assure that the agencies and departments concerned will assign adequate numbers or quality of staff to the region. Some of the agency heads do not regard the ministerial-level Coordinating Committee as capable of detailed enough involvement to protect their policy concerns. (c) Secondment does not assure that important national support services, which are not funded under the project, will be forthcoming. Both (b) and (c) are likely to be problem areas if other ministries and agencies feel that inadequate attention is being given to their policy concerns in operational decision making and that the project instead is a Ministry of Agriculture preserve. Concerns of this nature have already been expressed by some of the organizations. (d) A Ministry of Agriculture-controlled regional, integrated development project will do little to institutionalize inter-ministerial cooperation and decentralization.

To deal with problems (b) - (d) immediately above, the base of operational decision making for the project should be broadened beyond the Project Director and Technical Manager. A Technical Committee should be created at the regional level. Its function would be to coordinate between agencies and departments and to set project policies in those areas that will affect the operation of more than one unit. The Committee would meet at least once a month and as called by the Project Director. Majority vote decisions of the Technical Committee would be binding on the project with two provisos: (1) Any matter on which either the Project Director or the Technical Manager dissent from the majority would be referred to the ministerial-level Coordination Committee for resolution. (2) Nothing may be undertaken contrary to the agreements with the donors without their consent. The suggested membership of the Technical Committee is -- the Project Director; the

Technical Manager; the Financial Controller; the regional heads of the MOA, the Bonka Research Station, Veterinary Service, NRA, WDA and the MPW; and the senior technical assistant in the region working on each of agricultural extension, agricultural research, veterinary services, range management, water, and public works. Other heads of regional agencies and other technical assistants should be invited to attend as non-voting members when matters relevant to them are discussed. In fact, it probably would be desirable to expand the committee to include the regional heads of the ADC, ONAT, LDA, and USCM, as their activities will have an impact on the project.

The proposed Technical Committee would have several short-term and long-term benefits. (1) It would cause a wide range of policy perspectives to be brought to bear on the project, assuring that the rural development is meaningfully integrated. (2) Such a committee would diffuse the fears of other agencies and assure their whole-hearted participation in BRADP. Several of them have said that representation on a regional committee would meet their concerns. (3) The proposed membership and procedural rules for the Technical Committee would build both a team approach and commitment among regional staff, while also giving the Project Director and Technical Manager adequate protection for their authority. (4) The Committee would begin the important process of institutionalizing a structure for providing regular, decentralized coordination to rural development. Other socialist states in Africa have a similar committee of field agency heads, which prepares plans for discussion and approval by the local political authorities. The Coordinating Committee/Technical Committee combination represents a significant first step in institutionalizing decentralization and is as far as it is realistic to go in Somalia on the project at this time.

In the spirit of multi-agency direction, the Regional Coordinator of MOA should not be automatically designated as Deputy Project Director. This title should be held by whomever among the Somali regional staff is best qualified and experienced, whatever his ministry or agency.

4. National Linkages

GSDR expertise and decision making are concentrated in the capital of Mogadishu at present. Despite this centralization, donor agencies do not appear to have had too much difficulty in gaining consent for the decentralization of control over staff and programs to the regionally-based PMs. The danger now may not be centralization but weak support from the national units.

The agricultural component is dependent on the national Agricultural Delivery Systems PMU for the supply and training of its extension agents. The range program will need some of the newly-trained

staff of the NRA. The regional Veterinary Service requires some national laboratory facilities and logistical support for medical supplies. By law, all veterinary medicines have to be ordered through the national Department of Veterinary Service. The regional Veterinary Service has received qualified temporary staff in the past when its one veterinarian has gone on leave. The roads program must use the national laboratory of the Ministry of Public Works for soils testing. The success of the regional water-drilling program depends on the provision of geologic and hydrologic expertise and data from Mogadishu. Further areas of linkage are likely to be desirable as the project progresses.

BRADP enjoys nearly complete autonomy and control of most of the fiscal resources which it will require. The substantial independence of the project should not lead it to neglect the importance of its remaining national linkages. The Coordinating Committee structure is designed to facilitate the maintenance of those ties and will work well with a modicum of effort by the Project Manager.

The one area in which national/regional linkages are of extreme importance and on which work must be done before the project begins is water development. USAID is financing a large portion of this component of the project. BRADP is to receive \$3.3 million from all sources for the water program, but the balance of \$3.1 million has been provided by USAID to the WDA under the Comprehensive Groundwater Project (649-0104). The WDA funds are for drilling rigs and expatriate technical assistance. The BRADP funds are for the operational costs of drilling and establishing wells and for training. The WDA is bound under its project paper to provide to the Bay Region the number of wells that BRADP is scheduled to receive, and it cannot finance its full drilling program without the BRADP funds.

The NRA has consented to a similar arrangement with the WDA for its Central Rangelands Project (649-0102). The General Manager of the NRA consented to the arrangement and is not dissatisfied with it yet, although it is still too early to judge its adequacy.

The Project Manager, Designate of BRADP is not satisfied with such a dependence on the WDA. He argues correctly that the WDA has had a checkered record of fulfilling its commitments in the past and that Somalia does not have a good record of inter-agency cooperation. He is afraid that the WDA might delay in meeting its drilling program or that it might transfer its rigs out of the Bay Region.

USAID Mogadishu is the initiator of this arrangement. Its commitment to the WDA is based both on institutional development considerations and a conviction that only a nationally-based organization can have the concentration of various technical experts and data sources to give the drilling program a high rate of success. For the development of Somalia it is desirable to create at least one agency with a high level of technical capability and a growing knowledge of the

geologic and hydrologic characteristics of Somalia. The continued support of ad hoc, fragmented drilling operations will not do this. The fact that the Federal Republic of Germany has recently agreed to provide the WDA with 12 technical assistants will increase the concentration of expertise and capability there even beyond that which USAID support will provide. An organization with a high level of competence, such as the WDA seems likely to achieve, will have a higher success rate in its drilling operations and thus will be more efficient. To support both BRADP and WDA, USAID has created a matrix organization between them, with resources and commitment from both necessary to success.

The concerns of the BRADP Project Director and the objectives of USAID are both valid and a way to meet both has been sought. USAID should prompt an exchange of binding correspondence between the WDA and the MOA, committing the WDA only to send the rigs and supporting personnel which USAID has provided to WDA for the Bay Project out of the region if and when its drilling commitments there have been completed. As a first step in this direction USAID should convene a meeting at the highest level between WDA and MOA. In addition, USAID should agree to use its influence and authority as the donor of the necessary resources to WDA to assure that the drilling program is carried out on a timely basis. It is important to the success of the project that these actions be undertaken. If they are, there is an acceptably low probability of managerial failure in the water area and USAID's institutionalization objectives will have been met. The Project Manager continues to have worries about this arrangement but is willing to give it a trial. It is sufficiently desirable that GSDR gain confidence in these kinds of inter-agency relationships for the moderate risk to be taken. USAID should monitor the relationship carefully, however, and be prepared to take corrective action if it fails.

Some important confusions about levels and sources of support remain between and within the World Bank Appraisal Report and the USAID Comprehensive Groundwater Project Paper and the USAID Project Identification Document for BRADP. These cannot be resolved without the table which gives the detailed breakdown of project expenditures as they are allocated between donors. The World Bank document gives the expenditure detail and the allocation of donor commitment by broad functional categories. The needed table is missing, however. This table must be obtained. All ambiguities about levels and sources of support for the water component of the project must be resolved before it is approved.

5. Popular Participation

To date no provision has been made for formal popular participation in BRADP implementation decisions. Although the GSDP has a commendably progressive policy stance and although it provides for participation through the SRS Party, membership in the party is low in the

rural areas. (In 1977 only 735 of the SRSP's 12,000 members were classified as peasants.) Elected District Local Governments are now being formed, but they are not designed for participation at the base level in projects such as BRADP. The absence of popular participation in BRADP does not seem desirable. The project is operating in an environment about which it has scant technical and sociological information. Not only should inhabitants have some right to shape the way a project affects them, farmers can provide essential insights for the project and are more likely to make the necessary commitment to it if they are involved. USAID is mandated by Congress to encourage participation. More important participation is probably necessary to the project's effectiveness in meeting USAID's target group of the rural poor.

Early in its life BRADP should establish a Crop and Livestock Advisory Committee in each of the four project districts. Committee members should be drawn from active crop and animal husbandmen and women. Both types of producers as well as both sexes need to be represented. (Female representation is common and accepted in Somalia.) Given the national political control of the project and the infant state of these participatory committees, they should be advisory only during the life of BRADP. They might achieve greater authority later. District committees rather than a regional one are suggested because: (a) It is important to consider the different characteristics and opportunities offered by the four districts. (b) Distances and transportation problems are too great for regular regional meetings. (c) A regional committee is likely to become too large. A size of about 15 would be best. Above that number officials are more likely to talk at than with farmers. (d) A fuller range of producers is more likely to be represented on a more local committee.

The way in which membership on these committees should be defined and selected will have to be determined once the project is underway. Too little is known about the existing social and organizational structures in the area to make an informed decision at this point. Selection through the cooperatives is one possibility, but it should be explored cautiously first. Most of the cooperatives are extremely dependent on GSDR support at present. Some information collected in Bay Region suggests that some coops may be dominated by local elites and used to funnel GSDR resources to their own benefit. BRADP would not wish to reinforce such a pattern in its Advisory Committee structure, especially as it is inconsistent with GSDR policy objectives.

On the other hand, it is desirable that agricultural and livestock extension take place through groups of producers rather than with key farmers only. Experience elsewhere in eastern Africa suggests that extension to groups is both more effective and less regressive than is extension to individuals. This remains a matter for development in the course of the project.

It is desirable that crop and livestock producers develop a more extensive organizational structure, in order to represent their insights and interests and to receive services of all types. Crop and Livestock Advisory Committees has been used elsewhere in Africa and can represent an important step in developing more effective participatory structures.

6. Personnel

Development administration in the Bay Region is weak, for it suffers from severe constraints. Somalia has a great shortage of trained manpower, and some of what it does have has been enticed away by lucrative jobs on the Arabian peninsula. Material resources of all kinds are also in short supply in this, one of the poorest countries in the world. (The per capita GNP for 1978 was \$110.) Yet the administrative potential of the GSDR in Bay Region is greater than what has been realized to date. Many of the intermediate-level trained personnel that do exist are underutilized. The material resources they need to do their jobs are unavailable at present, and they sometimes are caught in unnecessary red tape from their national headquarters. An infusion of material and technical support from BRADP and a decentralization of some decision making to the regional level will quickly release this underutilized potential.

A survey of the existing development services in the Bay Region reveals a large number of problems. There are a fair number of middle-level technicians and semi-skilled workers, many of whom appear to be quite competent. The supply of middle-level staff is still inadequate. Those already there are not being fully utilized, however, in part because they lack the supporting supervision and advice of high-level technicians. High-level personnel are almost totally absent in the regional development agencies. The only Somali university graduate encountered there was a veterinarian.

The shortage of middle-level technicians will be eased by the training component of BRADP and of three other USAID-supported projects -- Agricultural Delivery Systems (649-0112), Central Rangelands Development (649-0108), and Comprehensive Groundwater (649-0104). BRADP will deal with the shortage of high-level technicians in the short run by providing technical assistance and in the long run by training for Somalis in the United States.

It is critical that technical assistance be provided in the form of resident staff and not short-term consultants. The latter alternative will be tempting to some, as Baidoa, the capital of Bay Region, is not a comfortable post. Only resident technical assistants can meet three of the basic needs of the Region, however. The first is for day-to-day support, advice and supervision for middle-level staff. They cannot be fully effective without it, and in the short run only technical assistance can provide it. The second need is for the development

and installation of effective systems of operation for development agencies and departments. Such institution building cannot be done on an in-and-out advisory basis. The third need is for the creation of the information upon which consultants base their advice. The knowledge base on the production and water systems of the Bay Region is quite limited. The success of BRADP will depend on intelligent trial and error learning. Only resident staff will have a sufficient time horizon to learn from the project's successes and failures.

Full utilization of the technical assistants and trained Somalis will require attention to language problems. High-level training is to be provided in the United States, and technical assistance personnel will be English speakers. A fair number of Somalis speak English, but it was not the language of instruction or colonial administration for most of the country. Only a minority of the middle-and high-level staff assigned to the project will be reasonably fluent in English, and those will tend to be the older ones. If this problem is not addressed, two dysfunctions will follow. (a) The competence of some trained Somali staff will be wasted by their becoming permanent interpreters. (b) The older staff with more seniority and English will be retained to work with the expatriates, while the Somalis fresh out of school will be sent to the U.S. for English instruction and further training. This would be poor for morale and wasteful of resources. To avoid these problems, it is recommended that the equivalent of four weeks of intensive Somali language training be provided to expatriate technical assistants after work hours and that intensive English language training be provided after work to the high-and middle-level Somalis on the project who are not reasonably fluent already. It is important to remember that Somalia is very proud of its language and that two of the most important accomplishments of the Revolution were the acceptance of a written form for it and the mass literacy campaign.

7. Remuneration

The salaries paid to civil servants throughout Somalia are extremely low. An extension agent in Bay Region receives a salary of shs. 450 a month and can count on another shs. 90 in field allowances, a total of \$90 a month. The national General Manager of the Banana National Agency, for example, receives a salary and allowances of \$650 a month. As low as this is, it is higher than the income of the highest civil servant in a ministry, the Director-General. There is unusually strong agreement among Somalis that these pay levels are below an acceptable standard of living at each status level. The consequences are three: (1) Many Somalis leave for the Arabian peninsula. (2) Most civil servants work a four- rather than the official seven-hour day, often holding an illegal second job. (3) Corruption has increased, although it still appears to be less than in West Africa.

It is extremely difficult for the GSDR to solve this problem itself. It cannot afford a significant increase in salaries without

decreasing government employment, and it is unable to pay the political costs of significant lay-offs. Somalia's Ministry of Personnel assigns all new secondary graduates to their jobs in the public and private sectors. The GSDR is unlikely to be able to stop being employer of last (and often first) resort. Perhaps a GSDR declaration that all jobs are half-time would relieve political pressures, improve public morality by legitimating reality, and make possible the incentive of significant increases via full-time employment for a limited percentage who are judged most productive. Such a change is beyond the scope of this paper and project, however.

Many international aid agencies have responded to this situation by topping-up salaries or allowances. USAID has refused to pay increased salaries, arguing that increases should be a matter of GSDR policy for the civil service as a whole. USAID has agreed to the supplementation of field allowances, however. There are great advantages to this. Such allowances are paid for time in the field and so provide a direct, variable and controllable incentive for difficult and uncomfortable work. These allowances sometimes are so substantial that they amount to the equivalent of a salary jump. The Agricultural Delivery Systems (649-0112) project manager proposes to pay extension agents shs. 800-1,000 a month for residing in a village and to provide housing as well. Simply the cash allowance would produce a 150% increase over current agent income. Most Somali commentators speak of 50% as the minimum increase needed and 100% as just. The proposed extension agent benefits package, which would apply to BRADP as well, would provide a higher level of remuneration than Kenya does. As Somalia is a poorer country and has a socialist commitment, it is unlikely that such a level is sustainable or is consistent with GSDR policy. Out of respect for Somalia socialism, GSDR should be asked to appoint a commission to establish guidelines for maximum payable allowances for various work conditions and employment levels. If this is not possible, a guidelines policy for BRADP should be established by the inter-ministerial Coordination Committee. A cost of living escalator might be built into these maxima. It should be accepted that these are maxima for allowances and that they will be paid only where GSDR or foreign aid funds are made especially available for them. Donor agencies should respect these guidelines. Otherwise GSDR's civil service salary structure will be irreparably fragmented, inter-ministerial rivalries will intensify, civil servants will constantly shift between projects, and the eventual institutionalization of internationally-funded projects will be all but impossible. USAID should try to insure that the various agencies and departments involved in BRADP have comparable allowances within the guidelines. Otherwise, inter-organizational cooperation will be difficult to maintain.

8. Rural Outreach

Government staff in Bay are concentrated in the regional and district capitals and lack sufficient vehicles and fuel to get into

the field very often. They must work by sitting in their offices. In unannounced visits to ten regional development offices, the director was in to receive us, not out in the field, in all but one case. The staff consequently have penetrated the rural areas for a limited distance and to a limited depth only. Bay Region development staff were unsure of district boundaries, probably because they rarely are able to reach the outer limits of their formal jurisdictions.

Part of the solution to the problem of poor outreach is the provision of vehicles and fuel. BRADP has moderate provisions for this need and, as part of its support to the Agricultural Delivery Systems project (649-0112), has already decided to provide motor-scooters to extension agents. (Bicycles are not used in Somalia, and the distances agents have to cover are great.) It is important that the needs for motorized transport be met but that they be kept moderate. Somalia does not produce oil, has a trade deficit, and has difficulty meeting its government budget. Although Somalia seems assured of substantial foreign aid for some time, provision should be made for eventual declining levels of support. Experience elsewhere suggests that one of the first areas for budget cuts will be vehicles and fuel. No service arrangements should be instituted that would be rendered largely ineffective by a partial cut in motorized transportation.

BRADP is scheduled to build 13 new veterinary dispensaries and to restock 17 existing ones at the village level. The Agricultural Delivery Systems project (649-0112), which will provide extension staff to BRADP, also currently proposes to house agents in the village areas they will serve. It plans to build staff housing in the rural areas and to provide generous field allowances to agents for living there. This is sound policy. There will be considerable pressure from veterinary and extension staff to be located in district and regional headquarters. If they are, they will spend too much time traveling when there is transport and be immobilized when there is not. In neither case will they know the crop and animal husbandmen well. It should be firm project policy to house base-level veterinary and extension staff in the villages. To make this policy palatable, generous field allowances--within government guidelines--should be paid, and primary school teachers, extension agents, veterinary assistants, and the projected health assistants might be concentrated to the extent possible in village centers. The latter policy would require some inter-ministerial planning at the regional level on the location of rural service centers.

9. Supply Shortages

Critical supplies for maintenance also were generally short in Bay Region. The regional Water Development Agency frequently must leave a life-sustaining pump broken for a week while its staff obtains the parts in Mogadishu. The roads staff of the Ministry of Public Works

is frequently idle for lack of equipment. Only the regional Veterinary Office seemed to be fairly well supplied.

In good part the supply shortages and delays are caused by a scarcity of resources. National ministries and agencies lack sufficient funds to meet all the demands made upon them. They respond by hoarding resources, making the regions justify each demand, and rationing through the ever-lengthening time each supplicant spends in the queue. Although this strategy has its rationale for the center, it is wasteful of resources in the regions and districts. Critically-needed facilities, such as bore holes, spend unnecessary time out of order, and regional staff sit idle or spend time pursuing authorizations in Mogadishu.

This problem will be partly solved by the increased resources made available through the project and by their control by the Project Management Unit in Baidoa (the capital of Bay Region). Some critical resources will be controlled by other spending agencies however. BRADP should urge national agencies to budget and authorize expenditures at the start of each year for supplies which are critical and the need for which is at all predictable. The Project Management Unit (PMU) should offer its own accounting services, if an accounting agent is needed, to facilitate such authorization. A regional fiscal control unit will always be able to respond more quickly and sensitively to regional crises than national ones can.

An area of particular concern is the maintenance of a regional parts store for the WDA, as continuous water supply is such a vital resource. USAID should provide increased funds through BRADP to build a regional store of pump parts. National WDA has agreed to cooperate in supplying such a store if the funding can be provided.

The other part of the solution to the supplies problem lies with BRADP itself. The PMU also should authorize well in advance expenditures for supplies which are critical to the operation of its constituent units. The lead time necessary to obtain each critical item should be identified, inventories compiled, and use rates carefully monitored so that the time for reordering can be identified easily. The institutionalization of such procedures in the constituent units of BRADP will build administrative capacity in the region. Finally, to avert later problems, all vehicles procured by the project should be ordered with a full complement of spare parts.

10. Inflation and Flexibility

In all projects unanticipated needs arise during the course of implementation. This is even more likely to occur in BRADP, as the knowledge base was limited in the design phase. The funds needed for expenditure on unanticipated problems and opportunities generally is not relative to a whole project, but the return on them usually

is extraordinarily large. It is vital that BRADP have a significant contingency fund to provide for flexible response.

This flexibility has been severely threatened by the extreme paring of estimates done by the World Bank appraisal team and the pace of Somali inflation. There is wide agreement that a significant proportion of the estimates are quite unrealistic. The deficits probably cannot be made up even by using exclusively for this purpose the World Bank contingency and inflation allowances. Not only does this threaten planned activities; it threatens the vital flexibility of the project as well. Every effort should be made to get the World Bank and its affiliates to increase their commitments to the project to take account of inflation. Failing this, USAID should consider use of some of its PL480 Somali shillings fund to support a meaningful BRADP contingency fund.

II. Conclusion

By and large BRADP is managerially sound and should work acceptably. The only problem that must be solved to make the project viable is the relationship between WDA and BRADP. Recommendations are provided in the text which should achieve this and which seem viable given the positions of the major actors.

Beyond the WDA recommendations, a series of suggestions are made which will provide for more effective operations. As important, however, are the recommendations to bend the structure of the project slightly so as to improve its prospects of making an institutional contribution to Somalia. Suggestions are made to keep levels of remuneration within plausibly sustainable rates and to begin to institutionalize decentralization and popular participation. Particularly if these suggestions or ones similar to them are followed, BRADP can make a significant contribution to the institutional development of Somalia.

INTERVIEWS

- Gary Nelson - Program Officer, USAID, Mogadishu
- Mohamed Warsame Dualah - Project Manager Designate, Bay Region Agricultural Development Project
- Dr. Abraham M. Abyan - Dean, Somali Institute of Development Administration and Management
- Colonel Absahir Kahle - Bay Region Party Secretary
- Osar Mohamed Hassan - Bay Region Extension Coordinator
- Abdul Cad Mahamud Warsame - District Extension Agent, Bur Akaba
- Hassan Haji - Bay Region Coordinator of the Ministry of Agriculture
- Mohamed Shaheed Khan - USDA team, Baidoa
- George Otey - USDA team, Baidoa
- Joseph Lopez - USDA team, Baidoa
- Mohamed Haji Yusuf - Bay Region Director of the Water Development Agency
- Mohamed Ismail - Bay Region Director of the Livestock Development Agency
- Adan Isak Aden - Bay Region Director of the National Range Agency
- Yusuf Mohamed Hussein - staff member, National Range Agency
- Musa Mohamed - Bay Region Director of the Ministry of Public Works
- Sulad Ali - Bay Region Director of the Agricultural Development Corporation
- Said Musiq - Regional Director of National Tractor Hiring Agency (ONAT) for Bay, Bakool and Gede Regions
- Abdi-Karim Aden Mohamed - Bay Region Cooperative Officer
- Mohamed Galin Abdid - Assistant Regional Veterinary Officer, Bay Region
- Mohamed Achmed Dugsah - Project Manager of the Agricultural Extension and Farm Management Training Project

Abdullahi Nur Alio - Director of Research, Ministry of Agriculture

Mohamed Ali Ahmed - Acting Director, Department of Cooperatives, Ministry of Agriculture

Dr. Abdullah Karani - General Manager, National Range Agency

David Field - Technical Manager, National Range Agency

Khalif Haji Farah - General Manager, Water Development Agency

Abdulkarim Ashur - Program Assistant

Paul Prentice - Cooperative League of USA representative

Mohamed Essa Abdi - Director of Planning and Design, Ministry of Public Works

Dr. Abdi Mahamud Elmi - Director of Department of Veterinary Service, Ministry of Livestock, Forestry and Range

Mohamed Ali - Director of Animal Husbandry, Ministry of Livestock, Forestry and Range

John Halperin - Candidate for Technical Manager, Bay Region Agricultural Development Project

Richard Dudley - Deputy Director, USAID, Mogadishu

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APPENDIX

SOMALI DEMOCRATIC REPUBLIC

Sub.: Bay Region Agricultural Development Project: -

THE PRESIDENT OF THE SOMALI DEMOCRATIC REPUBLIC

Having Seen : Articles 82 and 113 of the Constitution
Taking Notes : of the approval of both the Political Bureau and
the Council of Ministers

Hereby promulgates the following law:

Article I

PROJECT ESTABLISHMENT

- 1.- The Bay Region Agricultural Development Project (the Project) is hereby established.
- 2.- The Project is established as an autonomous body with legal entity, under the direction of the Minister of Agriculture.

Article II

HEADQUARTERS

The Project Headquarters shall be in Baydhabo, the capital of Bay Region.

Article III

OBJECTIVES

The Project Objectives shall comprise the following:

- 1.- The overall agricultural (crops and livestock) development of Bay Region
- 2.- Water development within Bay Region, and particularly in the rural areas
- 3.- Construction and maintainance of intra-Regional roads
- 4.- Management and improvements of the Range-Land of Bay Region
- 5.- Improvements of Livestock Health
- 6.- Agricultural extention and farmers' training, adaptive research, and range improvements
- 7.- Educations and training of the Project Staff
- 8.- The creation of qualified national manpower capable of carrying out the future improvement and management of Agricultural Project

Article IV

ORGANIZATION

- a.- The Project implementation authorities shall consist of:
 - i.- The Minister of Agriculture who has overall responsibility for the implementation of the project
 - ii.- The coordination committee

The coordination committee of the project shall consist of:

 - a. The Minister of Finance
 - b. The Minister of Agriculture
 - c. The Minister of Livestock, Forestry and Range

- d. The Minister of Water and Mineral Resources
- e. The Regional Governor
- f. The Project Director

The Committee shall ensure proper coordination at the highest level for the implementation of the Project to provide support for the Project management. The Committee will meet once a year as needed at the request of the Project Director through the Minister of Agriculture.

iii.- The Project Management Unit

The Project management unit shall be responsible for the execution of the Project, and shall consist of :

- a.- The Project Director (a Somali National)
- b.- The Project Coordinator
- c.- The Project Financial Controller

The latter two shall be internationally recruited.

b.- Functions of the Project:

- i.- The Project Director shall be responsible to the Somali Government for the implementation of the Project objectives, including staffing and discipline of Project employees, finance management and liaison with regional authorities and the Minister of Agriculture.
- ii.- The Project Coordinator shall answer to the Project Director, and shall be responsible for all technical aspects of Project implementation. He shall be the leader of the internationally recruited staff, and shall assist the Project Director in coordinating the implementation of the Project.
- iii.- The Financial Controller shall be responsible to the Project Director through the Project Coordinator, and shall assist them in both organizing the procurement of Project related goods and services, and establishing a system of financial control and accountability for the constituent unit of the Project.

Article V

REGIONAL SERVICES

The following services shall be attached to the Project:

- 1.- Regional Water Development Unit of the Water Development Agency
- 2.- Regional Road Service, of the Ministry of Public Works
- 3.- Regional Unit of the National Range Agency
- 4.- Bay Region Veterinary Services of the Ministry of Livestock, Forestry and Range
- 5.- All Bay Region Agricultural Services of the Ministry of Agriculture

Article VI

POWERS

- 1.- The Project is empowered to implement the objectives under article III of this law.
- 2.- The Project shall assume control and supervision of the Regional services listed under Article V. The attachment of the latter services to the Project shall take effect on the commencement of the Project.
- 3.- Notwithstanding Para 2, the Regional Services referred shall maintain their autonomy from the project to carry out responsibilities or activities outside the project entrusted to them by their respective Ministries.

Article VII

PROJECT STAFFING

The Project is empowered to employ the local staff required, subject to rules and regulations governing national recruiting procedures.

The Project also shall have full authority to recruit the expatriates needed in accordance with the procedures defined by the agreement, concluded with co-financing organizations.

Article VIII

Any agreements between the Somali Democratic Republic and the co-financing organizations such as IDA, IFAD, ADF, USAID etc. annexed to this law shall constitute an integral part of this law.

Article IX

Entry into Force

This law shall come into force on _____

Jaalle Mag. Gen. Mohamed Siad Barre
THE PRESIDENT OF S. D. R.

Mogadishu, _____