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FY 1984

Somalia

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June 1982

Agency for International Development
Washington, D.C. 20523

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Development

ANNUAL BUDGET SUBMISSION

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FY 1984 ANNUAL BUDGET SUBMISSION

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TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT ($ Thousands)

Country/Office USAID/SOMALIA

DEVELOPMENT ASSISTANCE	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	PLANNING PERIOD 1985	1986	1987
Agriculture, Rural Development & Nutrition						
Grants	13,201	13,516	12,435	17,100	20,300	22,000
Loans	- - -	- - -	- - -	- - -	- - -	- - -
Population						
Grants	- - -	- - -	- - -	- - -	- - -	- - -
Loans	- - -	- - -	- - -	- - -	- - -	- - -
(of which centrally procured commodities)						
Health						
Grants	2,999	2,234	3,415	2,000	1,000	1,000
Loans	- - -	- - -	- - -	- - -	- - -	- - -
Education						
Grants	- - -	1,250	750	800	700	1,000
Loans	- - -	- - -	- - -	- - -	- - -	- - -
Selected Dev. Activities						
Grants	- - -	- - -	3,000	2,000	3,000	3,000
Loans	- - -	- - -	- - -	- - -	- - -	- - -
SUBTOTAL FUNC. ACCOUNTS						
Grants	16.2	17.0	19.6	21.9	25.0	27.0
Loans	- - -	- - -	- - -	- - -	- - -	- - -
Other DA ACCTS. (Specify)						
Grants	- - -	- - -	- - -	- - -	- - -	- - -
Loans	- - -	- - -	- - -	- - -	- - -	- - -
TOTAL DA ACCTS.						
Grants	16.2	17.0	19.6	21.9	25.0	27.0
Loans	- - -	- - -	- - -	- - -	- - -	- - -
Economic Support Fund						
Grants	17.5	40.0	36.0	20.0	20.0	20.0
Loans	- - -	- - -	- - -	- - -	- - -	- - -
TOTAL DA AND ESF	33.7	57.0	55.6	41.9	45.0	47.0
PL 480 (non-add)						
Title I	15.0	- - -	- - -	- - -	- - -	- - -
(of which Title III)	- - -	15.0	15.0	13.0	13.0	10.0
Title II	15.0	5.0	2.4	15.9	14.1	11.0
Housing Guaranties (non-add)	____	- - -	- - -	- - -	- - -	- - -
TOTAL PERSONNEL						
USDH (workyears)	23 1/	23 1/	22	22	22	22
FNDH (workyears)	22	22	23	23	23	23

1/ Includes one (1) IDI

TABLE I - Narrative

FY 1984-1987 Planning Period

All new project starts proposed for FY 83 and FY 84 have initial year funding of two million or more, and all incrementally funded projects have as a minimum, 18 months forward funding. The three new projects proposed for FY 83, Kismayo Port Rehabilitation, Rural Development Management and Animal Health Services will have a combined mortgage of $7,750,000 going into FY 85. The two new proposed projects for FY 84, National Research Development and Energy Management and Planning will have a combined mortgage of $14.8 million into FY 85. Hence, the total mortgage against the DA AAPL for the planning period 1985 through 1987, i.e., $73.9 (from previous years' projects), will be $22.5 million.

It can be noted that we have exceeded ESF planning level for both FY 83 and FY 84. The ESF amount approved for these two years, i.e., $25 million per year, is insufficient to support both our continuing CIP program and the financing of the Kismayo Port Rehabilitation. A CIP program at a minimum level of $25 million, (USAID's FY 84 CDSS had requested $30 million for FY 83 and FY 84) is essential if the IMF Stabilization exercise is to be properly supported. The CIP program is one of the keystones of our development strategy since it finances imports needed by both the agricultural and private sectors--two areas considered critical to the revitalization of the economy.

In addition to the $25 million for the CIP which is required in both FY 83 and FY 84, an additional $26 million in ESF funding, i.e., $15 million in FY 83 and $11 million in FY 84 is required to rehabilitate the Kismayo port, the only major port in the potentially rich southern agricultural area of Somalia.1/ The sum of $2.5 million in ESF funding is being provided in FY 82 to start survey and design work on the project. In FY 83, $15 million will be required so construction work on the port can commence, with an additional $11 million required in FY 84 to fully finance the construction.

If our ESF levels were restricted to a level of $25 million in FY 83 and FY 84, USAID's only option would be to reduce the CIP program in FY 83 to $10 million and to $14 million in FY 84, levels of financing which would significantly weaken our support for the economic stabilization program. In addition, reducing the CIP to these lower levels would also jeopardize our overall development strategy since the program emphasizes the procurement of commodities needed by the agricultural sector and by small private sector industries. Hence, any reduction in the CIP level would adversely affect three elements of our strategy: support of the economic stabilization program; agricultural sector development and fostering of private sector growth.

1/ Normally a construction type project as Kismayo is fully funded in one year. Project Authorization, however, is not expected until late in FY 83, hence we plan funding of project over two years.

USAID has no option of deferring financing of the Kismayo Port Rehabilitation to the latter years of the planning period, i.e., FY 86 or FY 87, since a hiatus in funding from FY 82, when the initial design financing of $2.5 million is being provided, to these latter years makes no programmatic or practical sense.

Personnel

Given current personnel ceiling constraints, the direct hire personnel level of 22 will have to be sufficient to manage the proposed assistance levels through the planning period. With respect to FSNs, while USAID had asked for 26 local nationals to assist in managing our program, recent Mission operational changes, (i.e., establishment of a JAO) make the level provided us, i.e., 23, sufficient to meet program needs.

Policy Reform and Private Sector Considerations

USAID's CIP and Title III programs support policy reforms vital to the recovery of the economy which will help diminish the heavy role the public sector is currently playing in the country's economic processes. Under the existing IMF-GSDR Standby (stabilization) Agreement, the government is committed to, inter alia, (a) conduct periodic review of prices paid to farmers to insure the levels serve as inducements to production; (b) eliminate inefficient parastatals and thus implicitly increase the role of the private sector in the economy. Our CIP provides support for the IMF stabilization exercise in that it will provide a portion of the financial support necessary (both in foreign exchange and local counterpart generations) to bridge the resource gap until the new policy measures, induced by the conditions of the agreement, take effect.

The GSDR intends to expand the role of the private sector in the course of their new Five-Year Development Plan, (1982-86). In the plan considerable emphasis is placed on providing appropriate opportunities and incentive to the private sector through better exchange rates, higher prices and access to intermediate and capital goods. In this respect, the government is considering the possibility of entering into joint ventures with private and foreign firms in existing public enterprises and in the establishing of new semi-public enterprises. These emerging, favorable trends in the government's thinking are directly encouraged by our willingness to support such balance-of-payments assistance programs as the CIP and our Title III program. More directly, our CIP supports private sector growth in that over half of the commodities to be imported under the FY 84 program are expected to be for the private sector.

USAID's Title III program will be conditioned upon policy and operational reforms in the agricultural sector. Our approach to defining these reforms is spelled out in a study of the feasibility of a Title III Program in Somalia.[2/]

Additionally, it can be said that all our DA projects in the agricultural/livestock sector support private initiative growth. This sector has traditionally been in private hands, with government intervention limited to some fixing of producer prices and marketing arrangements. The producer price role of government is being modified under the IMF stabilization agreement and some changes in the marketing structure are expected to evolve from changes made under conditions of our Title III agreement. Our DA agriculture/livestock program support Somalia's traditional, private farmers and herders in that they all have the goal of increasing the productivity and income of these small farmers/herders. Hence, USAID projects in the sector, to varying degrees, contribute to private initiative development.

[2/] "Economic Overview of Somalia - With Implications for Feasibility of a P.L. 480 Title III Program", H.Kriesel, D.Jansen, T.Lederer, July, 1981.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

Country/Office
USAID/SOMALIA

ESTIMATED U.S. DOLLAR COST ($000)

PROJECT NUMBER	TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	LIFE OF PROJECT COST AUTH	LIFE OF PROJECT COST PLAN	COM PIPELINE AS OF 9/30/81	FY 1982 OBL	FY 1982 EXP	FY 1983 OBL	FY 1983 EXP	FY OBLIGATIONS 1984 AAPL	FUNDED TO MO/YR	1985	1986	1987	FUTURE YEAR	ITEM #
AGRICULTURE RURAL DEVELOPMENT & NUTRITION																		
0101	Ag. Extension, Trng & Research	G	1978	1979	5050	5050	2375	-	1700	-	735	-	9/84	-	-	-	-	
0104	Comprehensive Groundwater Dev't	G	1979	1984	6444	6444	-	3401	-	3043	-	-	9/84	-	-	-	-	
0108	Central Rangeland Development	G	1979	1984	14944	14944	6238	3600	2100	3050	1950	1214	9/86	-	-	-	-	
0109	Animal Health Services	G	1983	1987		12000	-	-	-	2000	300	4000	-	2000	2000	2000	-	
0112	Agricultural Delivery Systems	G	1979	1983	7752	10752	4733	2652	1600	3000	1450	-	-	-	-	-	-	
0113	Bay Region Development	G	1980	1983	11171	11171	4641	3548	2150	2423	1900	-	9/84	-	-	-	-	
0123	National Research Development	G	1984	1987		20000	-	-	-	-	-	6871	6/85	4376	4376	4377	-	
	Appropriation Total (All Grants)				45361	80361	17987	13201	7550	13516	6335	12085	-	6376	6376	6377	-	
	(PD&S)									(249)	-	(134)	-	-	-	-	-	
HEALTH																		
0102	Rural Health Delivery	G	1979	1984	15249	15249	5122	1800	2000	2234	1600	3415	9/85	-	-	-	-	
0104	Comprehensive Groundwater Dev't	G	1979	1982	6556	6556	2587	1199	1750	-	1800	-	9/84	-	-	-	-	
	Appropriation Total (All Grants)				21805	21805	7709	2999	3750	2234	3400	3415	-	-	-	-	-	

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Education and Human Resources																		
0119	Rural Development Management	G	1983	1987		1750	-	-	-	1250	450	1100	4/85	467	467	467	-	
	Appropriation Total (All Grants)					1750	-	-	-	1250	450	1100	-	467	467	467	-	
Selected Development Activities																		
0103	Kurtunware Settlement Program	G	1979	1980	2100	2100	100	-	100	-	-	-	-	-	-	-	-	
0124	Energy Management & Planning	G	1984	1987		5000	-	-	-	-	-	3000	9/85	667	667	666	-	
	Appropriation Total (All Grants)				2100	2100	100	-	100	-	-	3000	-	667	667	666	-	
	(PD&S)						-	-	-	(50)	-	(75)	-	-	-	-	-	
	DA Total				69266	113016	25796	16200	11400	17000	10185	19600	-	7510	7510	7510	-	
Economic Support Fund																		
0114	Kismayo Port Rehabilitation	G	1982	1984		26000	-	1/ 2500	1000	15000	10000	11000	-	-	-	-	-	
0117	Grain Transport Grant	G	1980	1980	5000	5000	113	-	113	-	-	-	-	-	-	-	-	
Q118	Commodity Import Program I	G	1982	1982	1500	15000	-	15000	12000	-	3000	-	-	-	-	-	-	

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0120	Commodity Import Program II	G	1983	1983		25000	-	-	-	25000	21000	-	-	-	-	-	-	
0122	Commodity Import Program III	G	1984	1984		25000	-	-	-	-	-	25000	-	-	-	-	-	
	Total ESF				20000	96000	113	17500	13113	40000	34000	36000	-	20000	20000	20000	-	
	Country Total				39266	209016	25909	33700	24513	57000	44185	55600	-	27510	27510	27510		

1/ Pre-project funding for design studies

Animal Health Services Project, 649-0109
(Grant: Agriculture, Rural Development and Nutrition)
FY 83 $2 million, FY 84 $4 million
(LOP $12 million)

Purpose: To improve the health and increase the productivity of the national herd and, specifically, to upgrade the handling and health infrastructure associated with the export of animals.

Problem: Since the livestock sector provides over 90 percent of Somalia's foreign exchange earnings, maintaining and improving livestock health is of primary importance to the country's economy. Unfortunately the government's Animal Health Service is unable, at present, to adequately meet the needs of the livestock owners for protection against these diseases. While there are trained veterinarians and animal health assistants, they lack the equipment, drugs, and transportation needed to furnish support services to nomadic herdsmen. Since there are no country-wide vaccinations or disease survey programs, the livestock population is constantly vulnerable to disease outbreaks which tend to carry severe consequences for livestock owners and the nation's economy.

Improvement is also needed in marketing facilities such as holding and quarantine yards and veterinary inspection and load facilities in order to ensure that the health and condition of exported animals are at the highest level.

Addressing the Problem: While the exact design of the project will be developed during the PID and PP stage, probable areas of intervention will include:

- A country-wide vaccination strategy which will include plans for cold-chain distribution of vaccine, to nomadic herds

- Strengthening of the veterinary service in the Northern Export Triangle area, and by providing equipment and drugs to allow monitoring of animals entering the area the veterinary laboratory at Hargeisa will be made fully operative for diagnostic and disease survey work.

- Renovation of Berbera port quarantine and holding facilities to improve the condition of animals being exported.

- Technical assistance and training for management of veterinary field services.

USAID has undertaken two studies in an effort to delineate livestock health issues in Somalia: a survey of current animal health projects in the country and an economic analysis of Somalia's livestock marketing system.

The proposed project will have a public sector institution building aspect as well as a private sector development component. The Animal Health Services Division, MLFR, will be considerably strengthened through the technical assistance and training which the project will provide. Since animal export trade in Somalia is entirely in the hands of private entreprenuers, improvements in health and handling facilities at animal export points will favorably impact on these private businessmen, and should foster expansion of investment in the export trade.

Target Group: The livestock owners, who are primarily small nomadic herders, would be the primary beneficiaries of the project as a result of increased income from the sale of healthier livestock and more livestock products. Animal export traders, who are private businessmen will benefit from improved health and physical facilities at export points. The general population of Somalia will benefit nationally from increased consumption of meat and milk and from decreased incidence of those diseases which are transmissible to man. The country as a whole will also benefit from protection of its export market and higher levels of foreign exchange earnings.

Rural Development Management, 649-0119
(Education and Human Resources Development)
FY 83 $1.25 million, FY 84 $1.1 million
(LOP $3,750,000)

Purpose: To increase the quality and quantity of mid-level management and technical expertise needed for the design, implementation and evaluation of development related activities and policies both in the public and private sectors.

Background/Problem: A shortage of mid-level manpower within the public and private sectors in Somalia has been identified as a key constraint in the CDSS. This shortage has its origins in two factors. First, a large number of educated Somalis with key managerial skills have migrated to the Middle East in response to the higher salaries available there. This has reduced the availability of trained manpower both to the Somali Government and the Somali economy. The demand for labor in the Gulf States appears to have peaked however with the leveling off of crude prices. Simultaneously, the Gulf States are increasingly showing a preference for non-Moslem workers who are less likely to wish to remain once their specific task is completed. Accordingly, this factor should be less of a problem in the future.

The second factor is the Government's commitment to employ all secondary school leavers. Because of this policy and the government's limited financial resources, the GSDR has been forced to keep salaries low. Consequently, individuals tend to enter the civil service, gain experience and then leave for opportunities elsewhere. It would clearly be beneficial if the GSDR would abandon this policy and the government has announced its intent to do so. The precise timing of the policy change remains unclear however. Certainly if ongoing efforts to revitalize the economy in general, and the private sector in particular, are successful, the GSDR will be under less and less pressure, over time, to employ large numbers simply to provide access to minimal cash incomes.

The major focus of the project will be upon the Somali Institute of Development Administration and Management (SIDAM). SIDAM is the only institution of its type in Somalia, as the National University has no schools of business or public administration. It currently offers courses in such critical fields as general/industrial management, rural development, accounting and small-scale enterprise management.

While SIDAM has physical facilities and a basic staff, it is functioning at less than full efficiency. Accordingly, Rural Development Management will provide SIDAM with technical assistance to achieve the following objectives:

- Identification of priorities in terms of courses to be offered

- Development of appropriate curricula

- Identification of SIDAM's staff development needs.

It is believed that with such assistance and the provision of overseas training for elements of SIDAM's staff, the institute can be strengthened such that it can offer more appropriate training in critical fields for larger numbers of individuals both in the public and the private sector.

In addition to overseas training for SIDAM's staff, some such training will also be provided for such key ministries and institutions as the Ministry of Finance, the Ministries of Agriculture and Livestock, the Central Bank of Somalia, the Ministry of Local Government and Rural Development, the Ministry of Health, the Ministry of Higher Education, and the Somali Development Bank. The training provided will be directed towards such key fields as economics, agricultural economics, public administration and planning, statistics, project design and management, environmental/resource/energy management, rural development administration and nutrition and health.

Target Group: The immediate beneficiaries of the project will be the individuals trained and the ministries and institutions which employ them. The indirect but ultimate beneficiary will be the poor majority who will benefit from better designed and implemented development interventions.

COMMODITY IMPORT PROGRAM III 649-0122

ESF: $25,000,000

Purpose: To provide balance of payments support through a Commodity Import Program, emphasizing procurement of those commodities which are critical to the support of the agricultural sector (as a producer of exports and food for domestic consumption) and a revitalized private sector.

Background/Problem: Somalia is currently beginning to emerge from a period of severe economic crisis. Due to adverse climatic factors and inappropriate public policies, food production and agricultural exports declined over recent years. Simultaneously, imports of food grains and other agricultural products rose. To this already difficult situation was added the requirement of feeding and supporting the vast numbers of refugees who fled to Somalia as a result of conflict with Ethiopia and drought. The result was a balance of payments crisis of such severe porportions that at one point foreign exchange reserves fell to two weeks worth of imports.

In mid-1981, the GSDR and the IMF agreed on a stabilization exercise to be undertaken over the period July 1981, to June 1982. Its major features included agreement to abolish the franco-valuta system, establishment of a two-tier exchange rate system, quantitative controls on government borrowing and expenditures and increased prices for agricultural products.

Two IMF assessment teams have visited Somalia in recent months to review performance under the agreement. Both teams have been satisfied with performance to date. Quantitative targets have been met, the GSDR remains committed to adopting unitary exchange rate at some time in the near future and increased agricultural prices (coupled with good rains) have led to increased output. Inflation has dropped off with the government's reduced utilization of deficit financing, and foreign exchange reserves have increased to two months worth of imports as of the end of 1981. Banana exports expanded in 1981 reversing the declining trend of recent years.

Somalia's economy still faces considerable problems. Critical imports remain in short supply. Domestic resources at the disposal of the GSDR are scarce and inappropriately allocated. Inflation, while less a problem than in the past, remains high. Shortages of skilled manpower continues to constrain the capacity of the GSDR to cope with the problems it faces. The confidence of the private sector in the permanacy of the new incentives provided by the government has yet to be fully established. In short, while the economy has improved as a result of the stabilization exercise, full recovery is far from achieved.

The GSDR has agreed to the establishment of a consultative group under the auspices of the IBRD. This group will hold its first meeting in November 1982, and provide a forum for focusing attention on the additional policy reforms required to rehabilitate the Somali economy. The anticipated reforms will require time to work their way through the system and for confidence to be restored. On the assumption that the GSDR will continue to liberalize its economic policies and to provide an enhanced role for the private sector, we are proposing a CIP-III for FY 1984.

Addressing the Problem: As with CIP I and II, CIP III will provide hard currency to promote both increased agricultural exports and domestic food production. The program will finance not only raw materials, spare parts and capital equipment required directly by the agricultural sector, but also inputs for other elements of the economy vital to the support of agriculture, such as transport, water delivery systems, as well as light industry units capable of manufacturing agricultural inputs, processing output and producing simple consumption goods. Approximately 65 percent of the resources provided by CIP III will be made available to private sector importers and entrepreneurs.

The CIP grant will also generate local currency which will provide a non-inflationary source of government financing. Both public institutions and private importers will be required to deposit local currency payments into a special account. This account, while owned by the GSDR, will be programmed with USAID/Somalia approval and utilized for development activities related to increased food production, improvement of the human resource base, agricultural research and extension as well as infrastructure and technical support related to increased investment by the private sector.

Target Group: Much of Somalia's population will benefit, either directly or indirectly, from the economic reforms which will be stimulated by the CIP grant and the consultative group mechanism. Small farmers and rural dwellers will gain access to inputs essential to increased productivity and realize higher incomes as a result of more rational pricing policies. Nomadic livestock producers and growers of export crops will receive increased prices for their output. Additional opportunities should open for Somali entrepreneurs. As the economy begins to expand, increased government revenues will become available for development activities.

Kismayo Port Rehabilitation, 649-0114
(Economic Support Fund)
FY 83 $15 million, FY 84 $11 million
(LOP $26 million)

Purpose: To rehabilitate port facilities at Kismayo to fully exploit the agricultural potential of Inter-Riverine-Juba Valley area.

Problem: The presently inadequate and deteriorating port facilities at Kismayo, one of only three deepwater ports in Somalia, serves as a hinderance to the development of the area which has excellent potential for agricultural and livestock development. Due to faulty construction, Kismayo has suffered severe deterioration in recent years. Two of the four berths at the port are now unusable, and the two operating berths are experiencing very rapid deterioration.

Unless rehabilitation work is started soon, the two operating berths may have to be closed for safety reasons. Should this happen the development of the productive Inter-Riverine-Juba area would be significantly slowed.

The Inter-Riverine-Juba River area has been identified as the most important agricultural area in Somalia. Although definitive soil mapping has not been completed, the agricultural and pastorial carrying capacity of the land is considered quite significant. The area has an estimated population of 651,000, over 70 percent of whom are pastoralists existing at subsistence levels. About 40 percent of the cattle population of Somalia is raised in the area.

Over $600,000 million in investments are either underway or planned for the Kismayo area. Because of these significant investments, the port is needed to facilitate the flow of commodities needed for the development of the region; commodities such as fertilizers and chemicals, machinery and equipment, and cattle and food exports.

Addressing the Problem: The rehabilitation of the port will be carried out in three stages. Stage I will include completion of the necessary surveys, definitive cost estimates, and preliminary designs and drawings. It is expected that $2.5 million in ESFs will be provided in FY 82 to finance Stage I. Stage II would include completion of final design, preparation of bid documents and prequalification of a construction contractor. Stage III would involve contractor mobilization and construction. The main host country entity to be involved in the project's implementation is the Ministry of Transportation and Ports.

A major issue which remains to be addressed is determination of a definitive cost for the project. Estimates to date put the cost, under present plans, in the $36 to $45 million range.

USAID/Somalia is estimating foreign exchange cost of the project at $26 million, with local costs, which are to be funded from CIP generations, estimated as being sufficient to cover remaining costs.

Target Group: The beneficiaries of the project will be the approximately 651,000 people living in the Inter-Riverine, Juba Valley areas. The majority of these people are either nomadic pastoralists or marginal level farmers. While not directly benefiting from the port construction, per se, they will benefit from the large agricultural/livestock investment presently being made or planned in the area, which is dependent on the port's rehabilitation for imports of required inputs and the export of agricultural and livestock products. Indirectly, the whole of Somalia will ultimately benefit, as the Inter-Riverine-Juba Valley area is developed.

National Research Development 649-0123
(Agriculture, Rural Development Nutrition Grant) -FY 84
(L-O-P $20 Million) $7.2 Million

Purpose: To develop new techniques for food production, marketing and storage which will assist the National Extension Service in upgrading farming systems needed by farmers and livestock herders to increase their production.

Background/Problem: A recognized prerequisite to increased food production is the development of new techniques related to the farm system process, e.g., planting, harvesting, marketing, storage, etc. Current farm system research efforts in Somalia are at a rudimentary level and suffer from administrative and physical fragmentation as well as inadequate funding support. The research which has been carried out has been of marginal quality, due to poorly trained staff and a lack of research tools.

Under a current A.I.D. project, assisted by other donors, the National Extension Service has been reorganized and a staff of over 70 agents trained to provide extension improved services in ten regions of the country. The National Research Development Project will be complementary to the aforementioned on-going A.I.D. project (i.e., Agriculture Delivery System 649-0112). While the latter will expand and upgrade the National Extension Service system, the former, through research, will equip the extension force with new production techniques to be used by small farmers and livestock herders.

A major output of the proposed project will be a Natural Strategy for Research which will address research requirements in all fields of food production, marketing, and storage. The strategy is expected to be completed by September 1982, and from it will evolve discrete modules of research which will be presented to the international donor community for financing. A National Research Council was recently established in Somalia to coordinate all research components in the country.

Response to the Problem: While the specific fields of research to be funded under the proposed project will be identified only after the completion of the National Strategy for Research paper, the general thrust of the project will be in the following areas:

--Crop production: select and breed better producing plant varieties adaptable to local conditions; test new rotation and intercropping systems; determine efficient levels of fertilizer application through initiation of soil testing programs and field trials.

--Crop and plant protection and crop storage; develop techniques of insect, nematode, weed, vertebrate, disease and fungal pests, using a proper balance of non-chemical and chemical control measures.

--Livestock production, animal disease control and poultry production: select and breed higher producing animal and poultry breeds adaptable to local conditions, develop better management systems, and disease control programs.

--Range, Forestry and Wildlife Management, National Resource Conservation; Soil/Water Conservation and Management: develop range rotation, management and production systems; develop moisture and soil conservation methods, determine forage bush relationships and identify most nutritious varieties. Determine the interrelationship of wildlife and its effects on domestic animal production and develop management systems.

The Ministry of Agriculture and the Ministry of Livestock, Forestry and Range will implement the project which represents a major institution building effort in that the presently weak research sections within these ministries will be reorganized and greatly strengthened in order to fully exploit the productive potential of the Agricultural/Livestock sector.

Though the project will be implemented and the research will be conducted by public sector entities, the recipients of the knowledge derived from the research will be almost wholly small farmers and nomadic herdsmen, who can be characterized as small and independent entrepreneurs.

Target Group: The nation as a whole will benefit indirectly from increased food production and the savings of foreign exchange resulting therefrom, which will result from an effective farm research system. More directly will be the benefit of improved nutrition and higher family income to small farmers and livestock producers.

Energy Management and Planning Project, 649-0124
(Technical Assistance, Energy and SDA)
FY 84 $3 million
(LOP $5 million)

Purpose: To diminish the need for costly imported energy through improved management of energy supply and end-use.

Background/Problem: Somalia is almost totally dependent on imported petroleum fuel for commercial energy, including its electrical power generation. While prospects for development of conventional and renewable energy, resources appear limited over the near term; over the long term the potential exists for exploitation of hydroelectricelectric power, lignite, oil shale and geothermal energy. Wood provides 70 percent of the national energy supply--most of which is used for cooking. Planned tree-planting and renewable energy projects are high priority initiatives receiving donor support from USAID, GTZ and the Italian government, among others. However, these efforts are directed primarily at arresting the depletion of rural fuelwood stocks and are not expected to provide significant economic alternatives to current use of petroleum fuels for transportation, electric power generation, or the commercial/industrial sector.

As a result of the escalation in oil prices over the last decade, petroleum import costs climbed from $19.1 million dollars in 1975 to $76.2 million dollars in 1980, and represented 56.5 percent of export earnings in 1980. The continuation of these trends threatens to bring Somalia's development to a standstill and would raise the national debt far beyond manageable levels. While cost effective energy substitutes for petroleum do not appear feasible in the near term, preliminary findings from a 1981 REDSO/EA energy preassessment, and a World Bank financed National Energy Assessment now nearing completion, demonstrate significant potential for reducing the impact of oil imports on the economy through a program of improving energy supply, distribution and end-use management.

Efforts to establish more effective national energy planning have been hampered by a lack of coordination between Ministries, insufficient data gathering and analysis capability, and a lack of trained professionals with expertise in this new area of concern. To overcome these constraints the Government of Somalia is assigning overall responsibility for energy coordination to the Ministry of National Planning. The Draft Five Year Plan places priority on staffing up a central energy planning unit in this Ministry. The Plan also recognizes the need for a long-term institution building effort to increase the government's energy management and planning capability.

Response to the Problem: The proposed multi-donor Energy Management and Planning Project will support the vigorous government effort to come to grips with its energy problem. The precise level and duration of TA and training will be developed in collaboration with the World Bank and other donors. It is expected, however, that the multi-donor project will contain the following elements.

Data Gathering and Analysis. Strengthening of national data gathering capability in the Somali Petroleum Agency, with possible use of in-country oil company personnel as training consultants.

Energy Planning and Policy. Increased analytical capability in energy management in the Ministry of National Planning including devleopment of current and projected energy supply/demand balances, and evaluation of pricing and regulatory policies which affect national energy use patterns.

Entrepreneurial Development Strategy. Development and implementation within the Ministry of Planning of a strategy to improve the existing entrepreneurial climate for importation or manufacture of selected materials, equipment and spare parts that increase the efficiency of existing and new energy using equipment, or which, where feasible, provide economical substitutes for fossil fuel driven equipment.

Improved Power System Efficiency and Load Management. Assistance to the National Agency for Electrical Energy (ENEE) to improve electrical power system efficiency and load management. The development of the marketing strategy will also necessitate close involvement and cooperation from ENEE, because of the power company's knowledge of electrical power consumers.

Equipment Operation, Maintenance and Repair. Upgrading vocational/technical training in the operation, maintenance and repair of energy using equipment, including provision of tools and equipment for technical training programs.

Energy Efficient Design and Energy Auditing. Upgrading local architectural/engineering expertise in energy-efficient commercial/industrial energy management and design. This component will also include identification of materials and equipment needed to improve energy efficiency in key fossil fuel and electrical power consuming sectors. Emphasis will be placed on modifications which will produce large energy savings with a high return on investment and which can be provided under the Commodity Import Program. The results of engineering energy surveys of each major energy using sector are to be used as the basis for equipment identification. Where feasible, the CIP and local currency, combined with pricing reforms, will be used to encourage purchase and installation of identified materials, equipment and spare parts. Surveys are expected to include ENEE and could also cover petroleum refinery operation.

Pre-CIP Equipment Trials. Limited field and market survey trials of energy-efficient and renewable energy equipment during first year implementation. The trials will use existing USAID projects, PVOs, and other Government of Somalia development projects. The CIP will begin to be utilized in FY 85.

The multi-donor project is expected to include long-term TA from professionals with backgrounds in economics, business administration and marketing, data management, engineering application of commercially available energy-efficient and renewable energy equipment and materials, and vocational/technical training. Medium to short-term TA is anticipated in load management, commercial/industrial energy auditing and refinery operation, transportation planning to increase energy efficiency, and energy-efficient architectural design. TA will be augmented by appropriate in-country training, observational tours, and long-term U.S. training for Somali counterparts.

The grantee will be the Ministry of National Planning with TA contract personnel provided to the Somali Petroleum Agency, ENE, the Ministry of Transport, and the Ministry of Education.

The USAID/Somalia contribution to this multi-donor project will be designed with ST/EY assistance during FY 83.

It is anticipated that the USAID contribution will consist of the following elements:

- Provision of a long-term advisor with a background in marketing/business administration. This project element will be directed at entrepreneurial development and involve equipment dealers, distributors, and manufacturers in the identification of possible changes in current advertising, pricing and regulatory policies and programs to encourage sales and purchase of commercially available energy-efficient and renewable energy equipment and materials. The strategy will cover the commercial/institutional, government, industrial and transportation sectors, and will include an examination of sales and servicing for major energy using equipment categories including diesel water-pumping equipment and small diesel driven electrical power generation units.

- Provision of a long-term advisor with a background in the engineering application of commercially available energy-efficient and renewable energy equipment and materials. This individual is to be placed in the Ministry of Planning. This advisor is expected to work with the entrepreneurial development specialist and to direct the CIP equipment surveys.

- Long-term and short-term training of Somali counterparts for the above advisors.

- Medium to short-term technical assistance in transportation energy-efficiency and vocational/technical training in diesel equipment operation, maintenance and repair.

- Pre-CIP field trials in FY 84 and FY 85.

- Vocational/technical training equipment.

Energy Initiatives for Africa and ST/EY central energy office support may be used for early project startup in FY 83.

Target Group: The primary target group will be national level policy-makers and planning officials, engineering professionals, equipment technicians, owners and operators of energy using equipment, and persons engaged in sales, distribution, installation, servicing and system design of such equipment. The effect of foreign exchange savings on the national development program is expected to benefit all members of the national population.

TABLE V - FY 1984 PROPOSED PROGRAM RANKING

Country/Office
USAID/SOMALIA

RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000) INCR	CUM
1.	649-0122 Commodity Import Program III	-	-	-	(25,000)	(25,000)
2.	649-0114 Kismayo Port Rehabilitation	O	G	-	(11,000)	(11,000)
3.	649-0123 National Research Program	N	G	ARDN	5,650	5,650
4.	649-0109 Animal Health Services	O	G	ARDN	4,000	9,650
5.	PL 480 Title III	-	-	-	(15,000)	(15,000)
6.	649-0119 Rural Development Management	O	G	EHR	1,100	10,750
7.	649-0124 Energy Management and Planning	N	G	SDA	2,000	12,750
8.	PL 480 Title II	-	-	-	(11,000)	(11,000)
9.	649-0123 National Research Program	N	G	ARDN	1,221	13,971
10.	649-0102 Rural Health Delivery	O	G	H	3,415	17,386
11.	649-0124 Energy Management and Planning	N	G	SDA	1,000	18,386
12.	PL 480 Title II	-	-	-	(6,400)	(6,400)
13.	649-0108 Central Rangeland Development	O	G	ARDN	1,214	19,600

Table V - Narrative

We consider the Commodity Import Program III as our top priority activity. This ESF-financed program contributes to three major elements of our strategy, namely--economic stabilization; agricultural sector development, and an expansion of the role of the private sector in the economy. The CIP supports the IMF's stabilization exercise, a multi-year fiscal and monetary reform effort needed to overcome a severe economic crisis from which Somalia is slowly recovering. The CIP also finances imports which are critical to the support of the agricultural sector. Increased food crop and improved livestock management are vital to the country's long term development. The role of the private sector in the economy is increasing--a trend we strongly support. About half of the resources provided under CIP III will be made available directly to private sector importers and entrepreneurs.

We have ranked the Kismayo port rehabilitation, also ESF financed, as next in our scale of priorities. Kismayo Port is crucial to increasing exports of agricultural products, particularly bananas, from the southern part of the country, and serves as an important transit point for imported inputs such as fertilizer. This project will require financing of an estimated $11 million in FY 84, as a final contribution to the port construction program.

A new project, National Research Program, we have ranked third in priority, at $5.6 million. This activity fills a void in the farm system process--i.e., the lack of an adequate, organized food crop and livestock research capability. A research capability is necessary to complement present on-going project activities which will strengthen the National Extension Service. Without research, the technical knowledge to be imparted to farmers by extension agents will be less than current and comprehensive. Though we are proposing FY 84 funding of $7.2 million for this project, out of a life of project total of $20 million, $6 million will be sufficient to cover costs for the first 20 months of the project, hence the remaining amount we are proposing for the FY, i.e., $1.2 million, being ranked No. 9 in priority, as this amount is not absolutely essential for the project's initial needs.

Our rankings 4,5, and 6 represent second year funding for on-going projects, including our Title III program which we propose as a five year activity commencing in FY 83. A second new project, Renewable Energy Management, we have ranked as No. 7. Though our strategy calls for the fostering of the development and conservation of forestry and energy resources, this new activity is ranked lower than completion of our on-going manpower development and agriculture production activities. It is also ranked below the National Research Program (new) because of the important linkage the latter project has to other elements of our agriculture sector stradegy. We are proposing initial year financing of $3 million for Renewable Energy Management. Two million dollars is expected to be sufficient to cover technical assistance and equipment costs for at least 18 months of the project, hence the remaining $1 million requested for the year is being ranked 11th in the priority scale.

Two on-going projects, Rural Health Delivery and Central Rangelands Development are ranked rather low in overall priority. This ranking is based on the fact that the amount requested for these projects represents final year funding for these activities, both with life of project total of approximately $15 million. USAID will be monitoring end of FY 83 pipeline to determine final requirements for FY 84 financing.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1709.5		1117.9	21workyears	1836.6		1248.3	24.2 workyears
F.N. DIRECT HIRE	218.8		0	26workyears	117.3		0	23 workyears
CONTRACT PERSONNEL	50.0		0	XXXXX	531.2		0	XXXXX
HOUSING EXPENSES	722.9		0	22 Resid. years	793.9		0	24 Resid. Years
OFFICE OPERATIONS	1205.7		289.0	XXXXX	1370.2		325.0	XXXXX
TOTAL	3906.9		1406.9	XXXXX	4649.2		1573.3	XXXXX
RECONCILIATION	1406.9			XXXXX	1573.3			XXXXX
MISSION ALLOWANCE	2500.0			XXXXX	3075.9	1/		XXXXX

1/ Total Dollar funded Local Currency Costs are $1,460,000. The exchange rate is US$1.00= Somali Shillings 12.465.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1984 PROPOSED			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1911.4		1211.7	23.8 workyears
F.N. DIRECT HIRE	151.6		0	23.0 workyears
CONTRACT PERSONNEL	587.0		0	XXXXX
HOUSING EXPENSES	943.7		0	24 Residential years
OFFICE OPERATIONS	1547.5		375.0	XXXXX
TOTAL	5141.2		1586.7	XXXXX
RECONCILIATION	1586.7	XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	3554.5	XXXXX	XXXXX	XXXXX

FY 1984 ABS Operating Expense Narrative

Table VIII shows the dollar resources required for the Total Operating Expense and Mission Operating Expense Allowance for FY 83 and FY 84 Proposed level. The Minimum Current levels for FY 84 have not been completed because the ABS Guidance (page i), says to eliminate decision packages at the field level and State 118947 provides funding at the AAPL only. There is no budget for Trust Funds since only Project related logistical support expense are paid from Trust Funds.

The total OE requirement for FY 83 is $4.649 million of which $3.076 million is the Mission Allowance and for FY 84 the total requirement is $5,141 million of which $3.555 million is the Mission Allowance. These requirements are justified in the narrative below.

The Approved Mission Budget Allowance for FY 82 is $2.788 million; the FY 83 Mission Allowance in the FY 83 ABS at the AAPL is $2.268 million and the FY 83 planning figure provided in State 13483 is $2.9 million. The FY 83 Mission Allowance presented in this ABS represents a significant increase over the FY 83 ABS figure (35%) but represents only a 6% increase over our revised FY 83 Budget Allowance ($2.9 million) presented in Mogadishu 569. We believe the FY 83 budget presented here reflects the resource needed to carry out the approved program and to allow the Mission to deal with the procurement and transportation problems for this post such as a 9 month lead time for US procurement and a continuous personnel turnover.

U.S. Direct Hire Costs for FY 83 are estimated at $1.836 million of which $1.248 million is AID/W costs for Function Codes U-101, 103, 104, 107 and 109. The 24.2 workyears shown on Table VIII represent 22 USDH (FTE) and one IDI (FTE) as authorized in State 131732 plus an additional 1.2 workyears for transferred employees charged to Mission roles while on home leave.

The remaining $588,300 represents 6 Post Assignments and related travel plus home leave, Education, R&R, and Emergency travel budgeted when due and are generally non deferrable. The FY 83 USDH costs are only 4% over the FY 83 revised budget estimate.

Foreign National Direct Hire Costs for FY 83 are $117.300.This amount is approximately half of the amount shown in the FY 83 ABS at the AAPL level and the revised FY 83 budget. The reasons for this decrease are the Somali Shillingwas devalued from 6.2 to 12.4 to the U.S. Dollar and although projected FSN pay increases are included in the budget, 22 employees as opposed to 26 employees are budgeted in the FY 83 ABS in this presentation. Employees on a 48 hour week account for the additional workyear making a total of 23 workyears for FY 83.

The most significant increase in this budget is in Contract Personnel. The original FY 83 AAPL Operating Expense budget presented in the FY 83 ABS shows no money budgeted for PSCs. The revised FY 83 planning figure would have allowed for $190,000 budgeted for PSC's whereas this budget submission represents current Mission requirements for PSCs budgeted at $208,000 plus support costs of $323,200.

Currently there is little support provided to Mission PSCs in the areas of housing and logistics. The $323,200 provides the monetary resources for a US contractor with a small local staff to provide this necessary support to PSCs who are suffering from the same hardships as USDH but without the mechanisms to take care of their logistical requirements. We have prorated the estimated portion of the support cost for the number OE PSCs to the total number of PSCs. This proration is 40%. Remaining costs of the support contract would be project related. Included in the $323,200 is the cost of housing, utilities and furniture for PSCs. The Mission is looking at less costly means for PSC support however we feel we must budget for the possibility of a US contractor.

Housing cost of $793,900 are approximately $100,000 above our FY 83 ABS estimate but $52,000 below the revised FY 83 budget. This anomaly is explained by savings in exchange rate which was not known under either the budget for the FY 83 ABS norwhen the budget was revised. However, increase for renewals of leases (somelease costs double) and new leases negotiated are much higher than could have been estimated a year ago. Utility costs have inreased during 1982 (140%). Additional increases in FY 83 utilities are forecast and reflected in the housing costs. Rent covers 24 residential years, one house for each of the 23 employees plus a guest house for TDY personnel. The reduction in per diem and lack of good hotels in Mogadishu make a guest house cost effective as well as necessary.

Additional furniture, equipment and related transportation have been budgeted over the FY 83 revised budget by an amount of $85,000. Much of the furniture (6-sets) ordered in FY 81 has not arrived yet. We have recently received an FY 82 allotment increase to allow us to buy six additional sets and this presentation budgets six more sets. FY 84 budgets an additional six sets, hopefully, by the end of FY 84 will have furniture that is no more than 2 years old.

Mission policy is to provide as good living conditions as possible to alleviate the hardships of the post. Housing conditions are not up to US standards, power failures and fluctuations are frequent and water to most AID houses as well as other USG Agencies is trucked to storage tanks on the property.

Office Operations are budget at $1.370 million for FY 83. This refined figure is about half way between the FY 83 ABS AAPL budget of $1.146 million and the revised FY 83 budget of $1.571 million. Significant decreases from the FY 83 revised budget are in rent (50%), due to the devaluation, office furniture, equipment, vehicles and related transportation. We have assumed most procurement action taking place in FY 82. Another decrease is in International Operational Travel which has been reduced from 58 trips to 38 trips including AID/W TDY. The significant increase is due to increased Function Code U-519, (all other Code 259) costs. This category includes the cost of 27 people under a contract with the Recreation and Welfare Association, (Security Guards are under this contract also) and Mission typing and secretarial services. The Washington funded portion of Office Operations ($325,000) is for FAAS charges.

The FY 84 AAPL Operating Expense is estimated at $5.141 million in total and the Mission Allowance is estimated at $3.555 million. These amounts are 11% and 15% over the estimated FY 83 costs respectively. The FY 81 Program level is approximately the same as FY 83; staff and support costs are at the same level as FY 83. The only major increase from FY 83 is due to inflation.

U.S. Direct Hire Costs increase by 5% in total. The 23.8 workyears represents 23 USDH including one IDI and 0.8 workyears charged for employees on Home Leave/Transfer to the Mission. Costs of all transportation have been increased but projected post assignments are for employees with fewer dependents, thus the costs stay about the same as FY 83.

Foreign National Direct Hire costs represent 22 workyears plus an additional workyear due to 48 hours workweek for 5 employees. A salary increase of 35% half way through the fiscal year has been factored into the costs.

Contract Personnel Costs and support have been increased by 10%; housing and related costs for PSCs have been increase by 25%.

Housing Costs of $943,700 for FY 84 are 18% higher than in FY 83 due to projected increased in rents and utilities of 25% and 50% respectively, residential furnishings and equipment have been decreased since we assumed major procurement taking place in FY 82.

Office Operations of $1.548 million represent an increase of 12% over FY 83. This increase is due to an increased cost in the lease for the office building, projected increases in utility costs, salary for people under the Recreation and Welfare Association (incldudes security guards), travel costs, supplies and materials and increased FAAS costs.

A detailed line item budget has been prepared and will be cable when requested.

PL 480 - Narrative

PL 480 programs have been a major component of the U.S. assistance effort to Somalia since 1978 when the first Title I agreement was signed and Title II assistance to the refugees commenced. Both programs are now entering transition periods with the phase-in of Title III, in FY 83, and the plan to use Title II resources to support special refugee self-reliance activities through Food-For-Work.

Title I/III programs of approximately $15 million are expected to be programmed through 1984--and then reduced through the remainder of the planning period as agricultural production and the balance of payments situation improves.

The 1981 and 82 Title I levels have been $15 and $14.5 million respectively. This Title I assistance averted serious food shortages during the 1980-81 drought. The program also helped effect foreign exchange savings which were subsequently used to purchase essential spares. The $36.4 million in local currencies generated to date has helped diminish deficits in the domestic budget and provided resources in support of the development assistance projects undertaken by USAID, Somalia.

PL 480 Title II provided emergency food rations for more than one-half million Somali refugees during the Ogaden war. The U.S. delivered more than 175,000 Mt of food in the four years, 1979-82, through our emergency bilateral program. These commodities were valued at more than $47 million with freight costs totaling approximately $23 million. The U.S. is also contributing approximately $10 million a year through the UNHCR to ensure timely food deliveries and good food logistics management within the country. The result has been a dramatic improvement in refugee nutritional status. Relief food commodities move smoothly from port, through stores, including regional storehouses, and into the camps. The overall logistical requirements inherent in this massive shipment of foodstuffs are handled in Somalia by CARE under a U.S.-financed contract. The continuation of the CARE management arrangement promises to ensure acceptable levels of accountability and safeguards for the commodities. The USG bilateral assistance for the refugees will be phased into a program of special self-support activities--some of which will have a food-for-work component.

Title I/III

Somalia's economic situation is not significantly different than other poor African countries--declining food production levels, sharply rising population figures, serious balance of payments problems affecting the availability of agricultural inputs and essential imported items, and policies which are not entirely effective in addressing these and other critical development issues. Somalia does have, however, significant untapped resources in the form of arable land not yet under cultivation, and water resources not yet productively exploited. The country's ability to produce its own food depends on many variables, not the least of which is the intensity of the rainy season. Only about 20 percent of Somalia's cultivated land is irrigated and most of this acreage is planted in bananas for export and sugar for local consumption. During the last decade seasons of good rainfall produced enhanced yields but also highlighted constraints to improved yields per hectare--such as shortages of fertilizer and inputs, a low level of technology and an inadequate extension service.

Over the past two seasons some improvements have been noted in Somalia's food production sector due partly to very intense efforts on the part of IBRD, AFDB, EEC, and AID--since as much as two thirds of assistance from this donor group has gone to the agriculture/livestock sectors. The long-term trend of poor yields has begun to be reversed in a few areas. Where proper inputs and extension services coupled with improved technology and price incentives have been applied, yield increases have been significant. The GSDR has recently raised producer prices and an incipient free market is emerging. There are indications that more land is being brought into cultivation, better seed and fertilizer commodities are becoming available, and there is greater demand for improved technology. Somalia is still food deficient, however, and is likely to remain so over this decade. Over the longer term, however, the potential for cereal self-sufficiency is there.

The potential of the agricultural sector is recognized by the Government. Somalia's new five-year plan (1982-86) has increased the level of resources for agriculture significantly (43 percent increase) over the previous plan. The plan emphasized the value of developing the agricultural sector as a potential producer of food for domestic consumption and export and as a source of future employment.

The proposed Title III agreement will address those policy and production issues which hinder the full development of the agricultural and livestock sectors such as marketing policies and the role of the parastatals in crop purchases. AID's CIP program, which is supportive of the IMF economic stabilization effort, will provide financing for spare parts, agricultural inputs, raw materials and capital equipment. The counterpart proceeds from both the Title III and the CIP programs will provide a significant resource for addressing the local costs portion of development projects.

Title II

Many of the victims of the Ogaden war have been in refugee camps for as long as three years. It is clear that donor refugee programs should no longer be characterized as "emergency assistance" since food and health care is now provided to the refugees on a routine and structured basis. The need, at present, is to provide increased opportunities for refugee productivity through donor assisted food production and wood production schemes. USAID is currently designing a program to increase refugee productivity in these areas--which will be implemented largely through PVO agencies using food and other attractive incentives in an attempt to use refugee surplus labor.

AID will channel food commodities for care and maintenance of the refugees through the World Food Program. The USG will provide a fair share of the annual WFP requirement while attempting to assure that food aid does not become a disincentive to repatriation or self-reliance activities. As Food-For-Work expands the volume of free food will be cut back to meet what are considered the nutritional needs of the target population without delivering excess commodities to the camp populations.

Title II for Food-For-Work will support the labor component of the refugee self-reliance projects through our bilateral program with CARE. In order to establish a sufficient incentive to participate in food-for-work programs, a highly valued commodity, rice, will be offered, while corn will continue to be used in support of free rations.

It is estimated that in 1983, about three million man days of productive work can be generated, while in 1984, approximately five million man days can be generated through all programs. This is a conservative estimate and not a target. It is expected that the transition from free food to food-for-work schemes will cause some camp inhabitants to seek repatriation or return to the nomadic life.

Country/Office SOMALIA/USAID

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1982 Agreement $	FY 1982 Agreement MT	FY 1982 Shipments $	FY 1982 Shipments MT	FY 1982 Carry into FY 1983 $	FY 1982 Carry into FY 1983 MT	Estimated FY 1983 Agreement $	Estimated FY 1983 Agreement MT	Estimated FY 1983 Shipments $	Estimated FY 1983 Shipments MT	Estimated FY 1983 Carry into FY 1984 $	Estimated FY 1983 Carry into FY 1984 MT	Projected FY 1984 Agreement $	Projected FY 1984 Agreement MT	Projected FY 1984 Shipments $	Projected FY 1984 Shipments MT	Projected FY 1984 Carry into FY 1985 $	Projected FY 1984 Carry into FY 1985 MT
Title I																		
Rice	6.3	21.0	6.3	21.0			5.1	11.6	5.1	11.6			5.6	22.0	5.6	22.0		
Wheat	.9	5.5	.9	5.5			1.0	5.0	1.0	5.0			1.0	5.0	1.0	5.0		
Wheat Flour	3.2	11.6	3.2	11.6			4.3	15.0	4.3	15.0			3.4	12.0	3.4	12.0		
Oil	4.1	6.5	4.1	6.5			4.6	6.0	4.6	6.0			5.0	7.1	5.0	7.1		
Total	14.5	44.6	14.5	44.6			15.0	37.6	15.0	37.6			15.0	46.1	15.0	46.1		
Of which Title III																		
Rice							5.1	11.6	5.1	11.6			5.6	22.0	5.6	22.0		
Wheat							1.0	5.0	1.0	5.0			1.0	5.0	1.0	5.0		
Wheat Flour							4.3	15.0	4.3	15.0			3.4	12.0	3.4	12.0		
Oil							4.6	6.0	4.6	6.0			5.0	7.1	5.0	7.1		
Total							15.0	37.6	15.0	37.6			15.0	46.1	15.0	46.1		

COMMENT:

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XII

Country/Office SOMALIA/USAID

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

STOCK SITUATION	FY 1983	Estimated FY 1984
Commodity - Rice		
Beginning Stocks	0	0
Production	18	20
Imports	85	82
Concessional	31*	32
Non-Concessional	55	50
Consumption	104	102
Ending Stocks	-0-	-0-

Somalia demand for rice is approximately 150,000 MT of rice per year.

Commodity - Wheat/wheat flour		
Beginning Stocks	0	0
Production	0	0
Imports	82	80
Concessional	47*	42
Non-Concessional	35	38
Consumption	82	80
Ending Stocks	-0-	-0-

Somalia's demand for wheat/wheat flour is 138,000 MT per year.

Commodity - Oil		
Beginning Stocks	0	0
Production	18	20
Imports	20	17
Concessional	14*	10
Non-Concessional	6	8
Consumption	20	27
Ending Stocks	-0-	-0-

Somalia's demand for oil is approximately 24,000 MT per year.

Comment:

*Inc. 1982 & 1983 TITLE I.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country SOMALIA

Sponsor's Name GOVERNMENT TO GOVERNMENT (EMERGENCY

A. Maternal and Child Health........................Total Recipients

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
Total MCH			

B. School Feeding.................................Total Recipients

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
Total School Feeding			

C. Other Child Feeding..........................Total Recipients

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
Total Other Child Feeding			

D. Food for Work...............................Total Recipients 50,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
50,000	Rice	6,250	~~2,525~~
Total Food for Work		6,250	2,525

E. Other (Specify)............................Total Recipients

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
Total Other			

II. Sponsor's Name

ADDENDUM

AID NON-BILATERAL FUNDED PROJECTS

Name of Project	Project No.	Date Started	Terminal Date	Mission Resp. Office*	LOP Cost	H,M,L Priority
Poultry Development	698-0410.36	5/20/81	5/20/83	AG	500,000	H
Family Health Initiatives	698-0662.03	9/25/80	9/25/83	H	500,000	M
Expanded Program of Immunization	698-0410.23	10/14/79	9/30/82	H	200,000	H
African Manpower Development	698-0384.24	6/30/79	6/30/86	Program	- (1)	M
Artificial Insemination	698-0410.20	6/28/79	1/31/83	AG	440,000	M
Projects in Design Stage						
African Resettlement Services and Facilities (Somalia)	698-0502	9/30/82	9/30/85	R	12,000,000	H

*Responsible AID/W Office, AFR/RA

1. L-O-P Cost not known as varying annual allotments made to USAID by AID/W.