

PD-AAT-407
45138

(For Immediate Attention)
PROJECT DOCUMENT AND MEETING NOTICE TRANSMITTAL

FOR ACTION: EPD Date 12/11/85

FROM: PPC/PDPR/SPD:at

SUBJECT: CABLE SOMALIA --
Document Country Project Number
AGRICULTURE SECTOR STRATEGY IMPLEMENTATION

Project Title				
\$	100.00	\$	\$	\$
Amount-AID contrib.		Loan	Grant	Other
Project (Issues) Meeting:	FRI	12/13	2:00 PM	6941
	Day	Date	Time	Room No.
Executive Meeting:	WED	12/18	10:00AM	6941
	Day	Date	Time	Room No.
Other Type of Meeting:				
	Day	Date	Time	Room No.

Comments of PDPR/SPD or Additional Information: Because of sector focus, assignment given to EPD. Please advise SPD if action should be changed to EA or IPD.

1. Your division is responsible for assigning a PPC Project Review officer (PRO) for this project. Please review the document and take all necessary actions in accordance with current PPC guidance (See Eriksson to PPC Staff memo "PPCs Review of PIDs, PPs, HGs and PL 480 Proposals", dated August 26, 1982.) Please provide, at the earliest, copies of any PPC staff issues paper/memoranda (with notational comments if any made by the DAAA or AAA/PDPR) prepared on this project, citing the project number and title.

2. PPC issue papers should be cleared with the appropriate PB regional coordinator and AAA/PDPR BEFORE the Executive Committee meeting at which time PPC is expected to present its position on a project. As a general rule, bureaus are required to provide PPC with project documents a week in advance before executive committee meetings, and if possible, at least seven calendar days before issues meetings. Exceptions may, however, have to be accommodated. If circumstances warrant, we may request via the AAA/PDPR, that bureaus delay executive meetings or advise them that PPC will respond within two working days after an executive committee meeting.

Distribution:

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- DAAA/PDPR (without attachment)

Memorandum

To: See Distribution

From: AFR/DP, Hariadene Johnson

Subject: Somalia Agriculture Sector Strategy Implementation: Issues Meeting and ECPR

Date: 9 December 1985

A joint USAID/Somalia and AID/W team has proposed a six year, \$100 million agricultural development program (see attached cable). An issues meeting is scheduled for Friday, 13 December 1985, in Room 6941NS from 2-4 PM. The ECPR is scheduled for Wednesday, 18 December 1985, in Room 6941NS from 10-12 AM.

The issues meeting will focus on the following questions:

-- Does AID/W endorse the proposed agricultural development program? And, if so,

-- Do the proposed activities in agricultural research and irrigation constitute approvable PIDs? And, if not,

-- What gaps remain to be filled in.

If you have issues, please bring to the meeting short statements which: identify the issue in a sentence or two; provide a paragraph or so of background; and propose a way to resolve the issue, again in a sentence or two.

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UNCLAS SECTION 01 OF 19 MOGADISHU 12973

AIDAC

E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

SUMMARY

USAID/SOMALIA AND THE AID/W AGRICULTURE STRATEGY IMPLEMENTATION TEAM HAVE AGREED TO PROPOSE THE DEVELOPMENT OF A SIX YEAR US DOLS 100 MILLION AGRICULTURAL DEVELOPMENT PROGRAM. THIS PROGRAM TAKES INTO ACCOUNT RECENT SIGNIFICANT GSOR POLICY CHANGES WHICH HAVE LED TO THE LIBERALIZATION OF THE ECONOMY AND A GREATLY INCREASED ROLE FOR THE PRIVATE SECTOR. IT ALSO IS CONSISTENT WITH THE APPROVED CDSS AND USAID AGRICULTURE SECTOR OBJECTIVES TO INCREASE OUTPUT IN THE SHORT RUN AND STRENGTHEN THE SOMALI AGRICULTURAL INSTITUTIONAL BASE IN THE LONG RUN. THERE IS AGREEMENT THAT NEAR TERM PRODUCTION GAINS ARE MORE LIKELY TO COME THROUGH IMPORT SUBSTITUTION OF DOMESTIC GRAINS, NAMELY MAIZE AND SORGHUM, THAN THROUGH THE PROMOTION OF HORTICULTURAL EXPORT CROPS FOR AS YET UNKNOWN MARKETS. EMPHASIS IN HORTICULTURAL EXPORTS SHOULD THEREFORE BE DEFERRED AT PRESENT, BUT COULD BE RE-EVALUATED OVER THE LONG TERM. MAJOR GAINS IN PRODUCTIVITY ARE BELIEVED LIKELY WITH THE INTRODUCTION OF SMALL, MANAGEABLE ADAPTIVE TECHNOLOGY PACKAGES, INCLUDING PARTICULARLY FERTILIZER, INSECTICIDES, AND BETTER HUSBANDRY PRACTICES. IN ADDITION, ADDRESSING INADEQUATE AND INEFFICIENT USE OF WATER RESOURCES IN THE LOWER SHEBELLE RIVER BASIN WOULD LEAD TO SUBSTANTIAL PRODUCTIVITY AND LAND ACREAGE INCREASES. FOR DRYLAND AGRICULTURE, MAINLY SORGHUM, PEST CONTROL AND BETTER CULTIVATING PRACTICES ARE ALSO LIKELY TO LEAD TO INCREASED PRODUCTIVITY. WHILE THERE MAY BE POTENTIAL FOR INCREASING VALUE ADDED TO LIVESTOCK EXPORTS, WE ARE UNCERTAIN AS TO THE LONG RUN CAPACITY OF SOMALIA'S RANGELANDS TO INCREASE PRODUCTION. WE RECOMMEND NO NEW MAJOR INVESTMENTS IN THIS AREA UNTIL THE COMPLETION OF COMPREHENSIVE STUDIES OF INTERNATIONAL LIVESTOCK MARKETS.

AS A RESULT, TWO SPECIFIC AREAS FOR PROJECT DEVELOPMENT HAVE BEEN IDENTIFIED. THE FIRST PROJECT WOULD FOCUS ON AGRICULTURAL RESEARCH AND TRAINING WITH THE PURPOSE OF DEVELOPING AND DELIVERING TECHNOLOGY PACKAGES TO SMALLHOLDERS TO INCREASE YIELDS IN MAIZE, SORGHUM, AND FORAGE AS PART OF THESE CROP ROTATION SYSTEMS. THE PROJECT WOULD ALSO DEVELOP SOMALI INSTITUTIONAL CAPACITY TO DO THIS TYPE OF ADAPTIVE RESEARCH OVER THE LONGER TERM. THE PROJECT WOULD BEGIN IN FY 86 WITH A LIFE-OF-PROJECT COST OF ABOUT US DOLS 25 MILLION.

THE SECOND PROJECT WOULD IMPROVE MANAGEMENT OF WATER

RESOURCES IN THE LOWER SHEBELLE RIVER REGION BY STRENGTHENING GSOR CAPACITY TO: (1) PLAN AND IMPLEMENT REHABILITATION OF SHEBELLE RIVER IRRIGATION, (2) REGULATE WATER ALLOCATION, AND (3) MAINTAIN THIS INFRASTRUCTURE ON A SELF-SUSTAINING BASIS. THIS PROJECT WOULD BEGIN IN FY 87 WITH AN ESTIMATED LIFE-OF-PROJECT COST OF ABOUT US DOLS 75 MILLION. TOGETHER, THESE TWO ACTIVITIES WOULD CONSTITUTE THE ESSENTIAL USAID/SOMALIA AGRICULTURE SECTOR PROGRAM THROUGH 1992.

THIS PROPOSED AGRICULTURAL SECTOR PROGRAM HAS BEEN DISCUSSED WITH APPROPRIATE GSOR MINISTERS. THEY AGREE TO THE PROGRAM IN PRINCIPLE. THE AMBASSADOR HAS REVIEWED THIS CABLE CAREFULLY AND HAS DISCUSSED IT WITH ACTING AID DIRECTOR NELSON. HE ALSO WISHES TO DISCUSS IT WITH DIRECTOR COHEN, WHO RETURNS HERE NOVEMBER 28.

COHEN WILL NOT BE ATTENDING REVIEW MEETINGS IN WASHINGTON. MISSION WILL SUBMIT A FURTHER CABLE BY DECEMBER 2. END SUMMARY.

I. INTRODUCTION

THE FOLLOWING REPRESENTS THE COMBINED VIEWS OF USAID/SOMALIA AND AN AID/WASHINGTON TEAM ON THE FUTURE DIRECTION OF AID'S AGRICULTURAL SECTOR STRATEGY IN SOMALIA. BUILDING ON THE FY '87 SOMALIA CDSS, A MAJOR MULTI-DONOR REVIEW OF THE AGRICULTURAL SECTOR, AND THE MISSION'S RECENT EXPERIENCE IN IMPLEMENTING ITS AGRICULTURAL SECTOR ACTIVITIES, A FIVE YEAR AGRICULTURAL DEVELOPMENT PROGRAM IS PRESENTED.

II. OBJECTIVES

GIVEN THE IMMEDIATE FINANCIAL PROBLEMS FACING THE SOMALIA ECONOMY, THE PRIMARY OBJECTIVE OF AID'S AGRICULTURAL PROGRAM IS TO INCREASE OUTPUT AND INCOMES

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UNCLAS SECTION 02 OF 19 MOGADISHU 12973

AIDAC

E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

IN THE AGRICULTURAL AND LIVESTOCK SECTOR IN THE SHORT TO MEDIUM TERM (3-5 YEARS). THE SECONDARY OBJECTIVE OF AID'S PROGRAM IS TO STRENGTHEN THE INSTITUTIONAL BASE FOR CONTINUED INCREASES IN AGRICULTURAL OUTPUT AND INCOMES OVER THE LONG TERM.

III. THE AGRICULTURAL SECTOR IN THE SOMALI ECONOMY

TWO CLEAR FACTS EMERGE FROM ANY EXAMINATION OF SOMALIA'S RECENT ECONOMIC EXPERIENCE. FIRST, RECENT POLICY CHANGES, PARTICULARLY THE PARTIAL LIBERALIZATION OF THE FOREIGN EXCHANGE MARKET AND THE LIBERALIZATION OF GRAIN MARKETING, HAVE LED TO A PRIVATE ECONOMY THAT, BY ALL APPEARANCES, IS MOVING AHEAD DESPITE SOME CONTINUING PROBLEMS. SECOND, THE MAJOR OPPORTUNITY FOR INCREASED OUTPUT IN THE PRIVATE ECONOMY IS IN THE AGRICULTURAL SECTOR, BOTH CROPS AND LIVESTOCK. OTHER SECTORS, MANUFACTURING AND SERVICES IN PARTICULAR, ARE EITHER DOMINATED BY GOVERNMENT OR ARE NOT AMENABLE TO DONOR INTERVENTION AT THIS TIME, NOR DOES MUCH EXPANSION OF THE FISHING INDUSTRY SEEM LIKELY, AT LEAST FOR NOW. MOREOVER, GIVEN THE DOMINANCE OF AGRICULTURE IN THE ECONOMY (SIXTY PERCENT OF OUTPUT, EIGHTY PERCENT OF EMPLOYMENT, AND 100 PER CENT OF EXPORT EARNINGS) SMALL INCREMENTAL CHANGES IN PRODUCTIVITY HAVE LARGER MACRO EFFECTS AND ARE THE BASIS FOR INCREASED DEMAND FOR NON-AGRICULTURAL GOODS AND SERVICES, THUS HAVING A MULTIPLIER EFFECT.

IV AGRICULTURAL POTENTIAL

THE SOMALI CLIMATE IS HARSH BUT AGRICULTURE IS POSSIBLE OVER CONSIDERABLE AREAS (RAINFALL VARIES FROM 100-600 MM). THE LOW LEVEL OF TECHNOLOGICAL PRACTICES IMPLIES THAT MAJOR GAINS ARE AVAILABLE THROUGH THE INTRODUCTION OF FIRST GENERATION TECHNOLOGICAL IMPROVEMENTS. CURRENT AGRICULTURAL PRACTICES, PARTICULARLY IN THE NOMADIC LIVESTOCK AND DRYLAND CROPS SUBSECTORS, USE FEW INPUTS BEYOND LAND AND LABOR ALTHOUGH HIRING TRACTORS AT LEAST FOR PLOWING IS BECOMING MORE COMMON. YIELDS, EVEN IN THE IRRIGATED SUBSECTOR, ARE WELL BELOW THOSE EXPERIENCED IN SIMILAR ENVIRONMENTS ELSEWHERE IN AFRICA. IN ADDITION, WITH THE EXCEPTION OF PASTURAGE, THERE SEEMS TO BE SUBSTANTIAL ADDITIONAL LAND AVAILABLE FOR BOTH IRRIGATED AND DRYLAND PRODUCTION. ON THE OTHER HAND, THE EVER-PRESENT THREAT OF DROUGHT ARGUES FOR A CAUTIOUS STRATEGY.

A. THE LIVESTOCK SECTOR

LIVESTOCK HERDING IS THE MAJOR ECONOMIC ACTIVITY IN SOMALIA, PROVIDING A SUBSTANTIAL PART OF THE LIVELIHOOD FOR ABOUT SEVENTY TO EIGHTY PER CENT OF THE POPULATION, PRODUCING 40 PER CENT OF DOMESTIC FOOD PRODUCTION ON A CALORIC BASIS, AND NINETY PER CENT OF EXPORT EARNINGS. WE DO NOT KNOW HOW THE EXISTING LIVESTOCK HERD EQUATES WITH THE LONG-RUN CARRYING CAPACITY OF SOMALIA'S RANGELANDS. IN THE NEAR TERM, INCREASED OUTPUT FROM THE LIVESTOCK SECTOR DEPENDS PRIMARILY ON INCREASED OFFTAKE WHICH IS DEPENDENT ON MARKETING CONDITIONS. WHILE LIVESTOCK EXPORTS MAY RESUME FORMER LEVELS, (ALTHOUGH SOMALIA CONTINUES TO SUFFER BADLY FROM LOSS OF THE SAUDI MARKET), ANY GROWTH BEYOND THAT SEEMS UNLIKELY FOR NOW. WE LACK INFORMATION ON WHAT IS NEEDED TO INCREASE THE VALUE OF OFFTAKE FROM THE SUPPLY POINT OF VIEW. NOR DO WE KNOW HOW ELASTICALLY THE SUPPLY WOULD RESPOND TO IMPROVED PRICES AND MARKETS.

THERE MAY BE POTENTIAL FOR INCREASING THE VALUE OF LIVESTOCK EXPORTS THROUGH ONE OR MORE PROCESSING INDUSTRIES (FATTENING, CANNING, CHILLING, TANNING), BUT INVESTMENTS IN THESE WILL HAVE TO WAIT ON COMPREHENSIVE STUDIES OF MARKET OPPORTUNITIES.

B. DRYLAND PRODUCTION

THE MAJOR DRYLAND CROP IS SORGHUM, ALTHOUGH SEVERAL OTHER CROPS SUCH AS SESAME, SAFFLOWER, AND SUNFLOWER ARE ALSO PRODUCED. SORGHUM REPRESENTS 45 PER CENT OF TOTAL GRAIN PRODUCTION AND 20 PERCENT OF DOMESTIC CALORIE AVAILABILITIES. DESPITE INCREASED USE OF HIRED TRACTORS AT LEAST FOR PLOWING, OVER CONSIDERABLE AREAS CURRENT CULTIVATION PRACTICES USE FEW INPUTS BEYOND TRADITIONAL SEEDS AND HOES, AND OFFER SUBSTANTIAL OPPORTUNITY FOR IMPROVED YIELDS WITH BETTER CULTIVATION PRACTICES. THERE IS ALSO SOME SKETCHY EVIDENCE THAT INTRODUCTION OF

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MOREOVER, MAIZE IS THE MAJOR DOMESTIC GRAIN MARKETING IN
SOMALIA

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UNCLAS SECTION 03 OF 19 MOGADISHU 12973

AIDAC

E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

MINIMAL MODERN INPUTS SUCH AS INSECTICIDES COULD HAVE
IMPORTANT EFFECTS ON PRODUCTIVITY.

C. IRRIGATED PRODUCTION

CURRENTLY 54,000 HECTARES IN THE SHEBELLE RIVER VALLEY
ARE COMMANDED BY CONTROLLED IRRIGATION. AT LEAST AS
MUCH IS CULTIVATED UNDER FLOOD IRRIGATION. IN THE JUBA
RIVER VALLEY ABOUT 12,000 HECTARES ARE CURRENTLY
CULTIVATED UNDER CONTROLLED IRRIGATION WITH AN
ADDITIONAL AREA OF UNDETERMINED SIZE UNDER FLOOD
IRRIGATION. LARGE SCALE PRIVATE AND STATE FARMS ARE
CURRENTLY PRODUCING RICE, BANANAS, AND SUGAR, WHILE
SMALLHOLDERS LARGELY GROW MAIZE AND SESAME IN ROTATION.

THERE ARE MAJOR PROBLEMS IN THE IRRIGATION SYSTEM. THE
SYSTEM ALONG THE SHEBELLE IS ANTIQUATED AND, SINCE IT
WAS INCREMENTALLY DEVELOPED, DOES NOT FORM A COHERENT
NETWORK. WATER MANAGEMENT, WATER ALLOCATION AND LAND
TENURE ARE MANAGED IN A HAPHAZARD MANNER, IF AT ALL.
WATER FEES ARE NOT ASSESSED SO THERE IS NO COST RECOVERY
BASIS FOR MAINTENANCE. THE NEED FOR DRAINAGE WAS NOT
FORESEEN IN 1925 WHEN SYSTEM CONSTRUCTION BEGAN SO
DRAINAGE IS INADEQUATE. SALINITY RESULTING FROM POOR
WATER QUALITY AND OVER- AND UNDER-WATERING IS A COMMON
AND INCREASING PROBLEM AND HAS TAKEN SOME AREAS OUT OF
PRODUCTION. IN SHORT, THE IRRIGATION SYSTEM ON THE
SHEBELLE IS USING WATER RESOURCES VERY INEFFICIENTLY AND
SALINITY IS INCREASING. MAJOR IMPROVEMENTS IN WATER
MANAGEMENT, CONNECTED WITH INFRASTRUCTURE
REHABILITATION, COULD OFFER SUBSTANTIAL PRODUCTIVITY AND
ACREAGE INCREASES.

IN THE NEAR TERM WE SEE LITTLE PROSPECT FOR DONOR
INTERVENTIONS THAT WILL BE HELPFUL IN INCREASING
PRODUCTION OF BANANAS AND OTHER HORTICULTURAL CROPS.
FIRST, LITTLE IS KNOWN OF POTENTIAL EXPORT MARKETS.
SECOND, THESE AREAS WOULD SEEM TO BE THE PROVINCE OF
PRIVATE, MULTI-NATIONAL FIRMS OPERATING UNDER A
SATELLITE SYSTEM. THE RECENT JOINT VENTURE, OF AN
ITALIAN MARKETING FIRM WITH THE PARASTATAL BANANA BOARD,
MAY PROVIDE A MODEL FOR FUTURE HORTICULTURAL DEVELOPMENT.

FOR MAIZE, HOWEVER, THE SITUATION IS DIFFERENT.
IRRIGATED MAIZE PRODUCTION, LARGELY BECAUSE OF ACREAGE
INCREASES, HAS INCREASED BY 145 PER CENT FROM 1980 TO
1985, TO THE POINT WHERE TOTAL MAIZE PRODUCTION NOW
REPRESENTS ABOUT 55 PER CENT OF DOMESTIC GRAIN OUTPUT.

CURRENT YIELDS AVERAGE ONLY 771 KG. PER HECTARE, WELL
BELOW YIELDS FROM IRRIGATED AGRICULTURE ELSEWHERE IN
AFRICA. BETTER WATER MANAGEMENT, EXPANDED USE OF
FERTILIZER AND IMPROVED CULTIVATION PRACTICES CAN BE
EXPECTED TO LEAD TO SUBSTANTIAL PRODUCTION INCREASES IN
THE NEAR TERM.

D. EXPORTS VS. IMPORT SUBSTITUTION

THE BOTTOM LINE OF THE DISCUSSION SO FAR IS THAT NEAR
TERM PRODUCTION GAINS IN THE AGRICULTURAL SECTOR ARE
MORE LIKELY TO COME FROM IMPORT SUBSTITUTION THAN FROM
EXPORT PROMOTION. THIS IS TRUE FOR BOTH DEMAND AND
SUPPLY REASONS. ON THE DEMAND SIDE, GRAIN IMPORTS
REPRESENT 359,000 METRIC TONS OR 88 PER CENT OF DOMESTIC
PRODUCTION. THUS A MARKET EXISTS FOR A 13 PER CENT
INCREASE PER YEAR IN GRAIN PRODUCTION ALONE FOR THE NEXT
10 YEARS. (POPULATION INCREASES OF 2.5 PER CENT PER
YEAR AND INCOME ELASTICITY OF DEMAND OF 0.2 PER CENT).
SIMILAR GAINS ARE AVAILABLE IN OILSEEDS.

EXPORT MARKET CONDITIONS ARE MUCH MORE UNCERTAIN.
STUDIES OF HORTICULTURAL MARKETS IN EUROPE AND THE
MIDDLE EAST INDICATE LITTLE GROWTH, AND MANY COUNTRIES
IN BOTH THE MEDITERRANEAN AND SUB-SAHARAN AFRICAN
REGIONS ARE ALREADY ATTEMPTING TO FILL EXISTING NICHES.
SIMILARLY, CURRENT SUPPLY CONDITIONS INDICATE MUCH
GREATER IMMEDIATE PAYOFF FROM INVESTMENTS IN DOMESTIC
GRAIN PRODUCTION THAN IN EXPORTS. FIRST, ACIDE FROM
LIVESTOCK, WE WOULD BE STARTING FROM A VERY SMALL BASE.
SECOND, IRRIGATED HORTICULTURAL DEVELOPMENT DEPENDS TO A
LARGE EXTENT ON IMPROVEMENTS IN WATER MANAGEMENT.
THIRD, THERE IS LITTLE WE KNOW HOW TO DO TO INCREASE
LIVESTOCK OFFTAKE (I.E. SHIFT THE SUPPLY CURVE UPWARDS),

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AIDAC

E.O. 12356: 1/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

ASIDE FROM INCREASING DEMAND.

ALL OF THESE ARGUMENTS SUGGEST THAT IN THE NEAR TERM AID SHOULD CONCENTRATE ITS EFFORTS ON INCREASING DOMESTIC GRAIN PRODUCTION; WHILE IN THE MEDIUM TO LONG TERM EMPHASIS SHOULD SHIFT TO EXPORT PROMOTION.

V. CONSTRAINTS

A. POLICY

RECENT POLICY CHANGES HAVE GONE A LONG WAY TOWARD CREATING A POLICY ENVIRONMENT CONDUCTIVE TO AGRICULTURAL DEVELOPMENT. HOWEVER, SEVERAL MAJOR POLICY PROBLEMS REMAIN, PARTICULARLY CIVIL SERVICE REFORM, PRIVATIZATION, AND GRAIN MARKETING AND THE ROLE OF CONCESSIONAL FOOD AID. ALL OF THESE ISSUES ARE COMPLEX AND INTER-RELATED. THEY AFFECT THE AGRICULTURAL SECTOR IN A NUMBER OF WAYS:

- (1) CIVIL SERVICE SALARIES ARE CURRENTLY SO LOW THAT INSTITUTIONALIZATION OF ANY TYPE IN THE GOVERNMENT IS IMPOSSIBLE. THE DONOR RESPONSE OF CREATING PROJECT UNITS WITH HIGHER SALARIES AND PERQS HAS FRAGMENTED THE GOVERNMENT INTO A SERIES OF SEPARATE DUCHIES.
- (2) WHILE THE AUCTION OF PL 480 COMMODITIES HAS HELPED REDUCE THE DISINCENTIVE EFFECTS OF FOOD AID, THIS AUCTION AMOUNTS TO LESS THAN 25 PER CENT OF TOTAL FOOD ASSISTANCE. THE REST, PARTICULARLY FOOD AID FROM OTHER DONORS, CONTINUES TO ENTER THE ECONOMY AT HIGHLY CONCESSIONAL TERMS, TO FIND ITS WAY ONTO LOCAL MARKETS DEPRESSING LOCAL PRICES, AND TO RESULT IN WINDFALL GAINS FOR FIRST RECIPIENTS. A GOOD PORTION OF FOOD AID IS USED AS A SUBSTITUTE FOR SALARY INCREASES FOR SELECTED GOVERNMENT OFFICIALS. TITLE II COMMODITIES CONNECTED TO REFUGEE FEEDING ALSO ENTER LOCAL MARKETS DEPRESSING LOCAL PRICES.
- (3) SALARY INCREASES REMAIN DIFFICULT TO ACHIEVE WHEN BUDGET RESOURCES ARE GOING INTO A VARIETY OF SUBSIDIES PARTICULARLY THOSE RELATED TO INEFFICIENT PUBLIC SECTOR ACTIVITIES. DESPITE PROGRESS IN SOME AREAS, PUBLIC SECTOR INSTITUTIONS STILL DOMINATE INPUT DELIVERY SYSTEMS AND ARE IMPORTANT IN AGRO-PROCESSING.

ALL OF THESE ISSUES ARE PART OF A FISCAL SYSTEM THAT IS COMPLETELY UNVIABLE. EXPENDITURES ARE TOO HIGH, AND ARE

CONCENTRATED ON THE WRONG ACTIVITIES, WHILE DOMESTIC REVENUES ARE TOO LOW. THE PUBLIC SECTOR IS GOING TO CONTINUE TO BE A BURASS UNTIL MAJOR FISCAL REFORMS ARE UNDERTAKEN, INCLUDING:

- (1) REINCORPORATING MUCH OF THE DEVELOPMENT BUDGET INTO THE RECURRENT BUDGET.
- (2) REDUCING THE CIVIL SERVICE BY ABOUT 20 PER CENT.
- (3) INCREASING WAGES AND SALARIES BY AT LEAST 400 PER CENT.
- (4) ELIMINATING SUBSIDIES TO GOVERNMENT PRODUCTIVE UNITS.
- (5) ELIMINATING MOST GOVERNMENT PAYMENTS IN KIND.
- (6) REFORMING AND INCREASING TAXES.
- (7) IMPROVING BUDGETING AND PLANNING.
- (8) DEVELOPING A MECHANISM TO FUND MILITARY EXPENDITURES.

THE WHOLE THRUST OF OUR AID PROGRAM MUST BE TO REDUCE GOVERNMENT ACTIVITIES TO AN APPROPRIATE AND SUSTAINABLE LEVEL, RECOGNIZING THAT THIS IS A LONG TERM PROCESS.
B. MARKETS

AS FAR AS WE CAN DETERMINE, DOMESTIC MARKETING PROBLEMS DO NOT SEEM TO BE A CONSTRAINT TO FURTHER FOOD PRODUCTION INCREASES (WITH THE MAJOR CAVEAT OF THE MECHANISM BY WHICH CONCESSIONAL FOOD AID IS DISTRIBUTED). THERE SEEMS TO BE A SUFFICIENT NUMBER OF SOMALI TRADERS TO ENSURE RELATIVELY COMPETITIVE MARKET

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FRAGMENTATION OF AGRICULTURAL DEVELOPMENT ACTIVITIES
THROUGH THE PROCESS OF DONORS DIVING OFF SPECIFIC
PROJECT AREAS (SEE ABOVE ON POLICY ISSUES).

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HOWEVER IS LACK OF PLANNING MORE EVIDENT THAN IN THE
DEVELOPMENT OF IRRIGATION ACTIVITIES. IRRIGATED
PERIMETER DEVELOPMENT IN THE SHEBELLE HAS BEEN HAPHAZARD
FOR HISTORICAL REASONS. CURRENTLY THERE IS NO MASTER
PLAN FOR WATER USE, AND NO CLEAR PLAN FOR WATER
ALLOCATION, NO RATIONAL SYSTEM FOR WATER AND LAND FEES,
AND NO WATER MANAGEMENT SYSTEM.

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F. TRAINING

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SECONDARY SCHOOL AND UNIVERSITY GRADUATES ARE OFTEN
INADEQUATELY TRAINED AND, CONSEQUENTLY, IN GREATER
SUPPLY THAN THE JOB MARKET DEMANDS. HOWEVER, THERE
SEEMS TO BE A SCARCITY OF TECHNICALLY TRAINED PEOPLE,
ALTHOUGH THERE HAS BEEN NO MANPOWER STUDY TO ESTIMATE
THE ECONOMY'S NEEDS FOR PARTICULAR SKILLS. A
COMPLICATING FACTOR IS THE FRAGMENTATION OF THE CIVIL
SERVICE MEANING THAT TRAINED MANPOWER TENDS TO QUICKLY
MOVE FROM JOB TO JOB AND INSTITUTIONAL MEMORY SEEMS MORE
OF A PROBLEM THAN IT IS EVEN IN AID.
POST-SECONDARY TECHNICAL TRAINING INSTITUTIONS IN
SOMALIA AT THE CERTIFICATE OR DIPLOMA LEVEL ARE NOT
SERVING THE ECONOMY'S NEEDS IN TERMS OF QUALITY AND
QUANTITY OF TRAINING.

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E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

CONDITIONS.

TRANSPORT INFRASTRUCTURE REMAINS A PROBLEM ALTHOUGH
VEHICLE NUMBERS AND MILES OF ROAD HAVE INCREASED.

IN EXPORTS, THE CLOSURE OF THE SAUDI MARKET TO SOMALI
CATTLE HAS HAD A CRUSHING EFFECT ON EXPORTS. EXPORT
GROWTH IN VARIOUS FIELDS, FROM PROCESSED LIVESTOCK
PRODUCTS TO HORTICULTURAL CROPS, IS HELD BACK BY THE
LACK OF KNOWN, PENETRABLE EXTERNAL MARKETS.

THE WHOLE QUESTION OF TRAINING IS A DIFFICULT ONE TO
ADDRESS. THERE ARE QUESTIONS OF SCALE, TRAINING NEEDS,
INSTITUTIONAL CAPACITY, AND INCENTIVE STRUCTURES IN THE
CIVIL SERVICE. A MAJOR ISSUE IS THE TRADE-OFF BETWEEN
GENERALIZED, LONG-TERM (ONE YEAR OR MORE) TRAINING AND
SHORT COURSES DESIGNED TO ACHIEVE SPECIFIC AND LIMITED
OBJECTIVES. A MANPOWER STUDY COVERING NEEDS IN ALL
AREAS OF AGRICULTURE AND IRRIGATION SHOULD BE CONDUCTED

G. INPUT DELIVERY

MOST INPUT DELIVERY (FERTILIZER, CHEMICALS AND TRACTOR
SERVICES) IS THE RESPONSIBILITY OF PARASTATAL
ORGANIZATIONS (PARTICULARLY OHAT), ALTHOUGH THERE IS
RECENT AND GROWING PRIVATE SECTOR INVOLVEMENT.
AGRICULTURAL DEVELOPMENT WILL REQUIRE BROADER
AVAILABILITY OF INSECTICIDES AND FERTILIZER AND THIS IN
TURN MEANS FURTHER PRIVATIZATION (OR AT LEAST PRIVATE
ALTERNATIVES OF INPUT DELIVERY).

A COMPLICATING FACTOR IS THE EXISTENCE OF A GOVERNMENT
OWNED UREA FACTORY WHICH IS CURRENTLY USING 2 DOLLARS OF
FOREIGN EXCHANGE TO PRODUCE EACH DOLLAR OF FERTILIZER.
THE GOVERNMENT CANNOT AFFORD TO EXPAND ITS PRODUCTION OF
FERTILIZER. (A CERTAIN AMOUNT OF FERTILIZER IS BROUGHT
IN FROM ABROAD, AT LESS THAN THE SOMALI PRODUCT COSTS.)
D. CREDIT

GIVEN THE LOW LEVEL OF INPUT USE AND SEEMINGLY HIGH
LEVELS OF CASH (LARGELY THROUGH REMITTANCES) IN THE
ECONOMY, THERE IS NO EVIDENCE THAT SEASONAL OR
PRODUCTION CREDIT (OR LACK THEREOF) IS A SERIOUS
CONSTRAINT TO AGRICULTURAL PRODUCTION AT THIS TIME. AS
INPUT USE GROWS WITH THE ADOPTION OF HIGHER LEVEL
TECHNOLOGY, CREDIT MAY BECOME A PROBLEM FOR
SMALLHOLDERS. MEDIUM TERM CREDIT FOR TRACTORS OR OTHER
LARGER CAPITAL ITEMS MAY ALSO BE NEEDED AS PRIVATIZATION
OF AGRICULTURAL SERVICES OCCURS, BUT NO CLEAR PICTURE IS
CURRENTLY AVAILABLE.

E. PLANNING

AT PRESENT THE GOVERNMENT'S CAPACITY TO PLAN AND
FORMULATE POLICY IN THE AGRICULTURAL SECTOR IS
NON-EXISTENT. THIS IS LARGELY TRUE BECAUSE OF THE

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INFO AMEMBASSY NAIROBI

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E. O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

AS SOON AS FEASIBLE.

G. IRRIGATION INFRASTRUCTURE

THERE SEEMS TO BE A MAJOR PROBLEM WITH THE CURRENT IRRIGATION ENGINEERING STRUCTURES IN THE SHEBELLE, PARTIALLY DUE TO THE SYSTEM'S AGE AND ITS SEGMENTED DEVELOPMENT HISTORY. LAND LEVELLING AND DRAINAGE STRUCTURES ARE CLEARLY INADEQUATE. THE WORLD BANK IS CURRENTLY CONDUCTING STUDIES OF INFRASTRUCTURE NEEDS. WHILE DETAILED, SERIOUS FEASIBILITY STUDIES REMAIN TO BE UNDERTAKEN, CURRENT INFORMATION INDICATES POSITIVE RATES OF RETURN TO IRRIGATION REHABILITATION ON THE SHEBELLE.

H. TECHNOLOGY DEVELOPMENT AND DIFFUSION

SOMALI AGRICULTURE IS CURRENTLY OPERATING AT A VERY RUDIMENTARY TECHNOLOGICAL LEVEL. THE ONLY MODERN INPUTS INTO THE PASTORAL SECTOR ARE SOME VETERINARY SERVICES. ASIDE FROM SOME MECHANIZATION IN INITIAL CULTIVATION, DRYLAND SORGHUM PRODUCTION IS BASED ON METHODS OF HUSBANDRY THAT HAVE BEEN IN PRACTICE FOR CENTURIES. EVEN IRRIGATED MAIZE USES LITTLE OR NO MODERN INPUTS. FERTILIZER APPLICATION AVERAGES LESS THAN ONE KG PER HECTARE AND CONSISTS ENTIRELY OF UREA. MAIZE VARIETIES ARE THOSE DEVELOPED LOCALLY SOME TIME AGO. HUSBANDRY PRACTICES IN TERMS OF WEEDING AND PLANT POPULATION ARE WELL BELOW GOOD, LET ALONE, OPTIMAL PRACTICES. THERE IS REPORTEDLY A LABOR CONSTRAINT AT TIME OF WEEDING AT WAGE RATES FARMERS ARE WILLING TO PAY. WOMEN HAVE A SUBSTANTIAL ROLE IN AGRICULTURE, AND PROVIDE MOST OF THE LABOR FOR THE PLANTING, WEEDING AND HARVESTING OF CROPS. WOMEN ALSO CARE FOR MANY OF THE CATTLE, SHEEP AND GOATS. YET WOMEN ARE STILL NOT BEING REACHED BY THE EXTENSION SERVICE SYSTEM, AND ALMOST NO FEMALE EXTENSION AGENTS OR AGRICULTURAL RESEARCHERS EXIST IN SOMALIA.

IN SUCH AN ENVIRONMENT, SUBSTANTIAL YIELD INCREASES ARE AVAILABLE WITH SMALL, MANAGEABLE TECHNOLOGICAL CHANGES. WHAT IS IMPORTANT IS THAT AGRICULTURE IN SOMALIA IS AT THE VERY EARLY STAGES OF THE TECHNOLOGICAL IMPROVEMENT CURVE, AND THAT THE RELATIONSHIP BETWEEN OUTPUT CHANGES AND MARGINAL CHANGES IN PRACTICES IS LIKELY TO BE VERY HIGH. IT IS ALSO IMPORTANT TO NOTE AT THIS STAGE IT IS NOT NECESSARY TO DEVELOP NEW TECHNOLOGIES, IN PARTICULAR, TO BREED NEW SEED VARIETIES.

WHAT IS NEEDED IS A CONCERTED EFFORT TO DETERMINE THE FINANCIAL AND ECONOMIC PROFITABILITY OF VARIOUS INPUT COMBINATIONS (FERTILIZER, INSECTICIDES, BETTER HUSBANDRY) UNDER THE MOST PREVALENT SOIL AND WATER CONDITIONS FOUND IN SOMALIA. GIVEN THE CURRENT BASE IT IS NOT NECESSARY TO HAVE VERY REFINED RECOMMENDATIONS FOR MICRO-ECOLOGICAL ZONES. IN THE BEGINNING, BROADLY APPLICABLE RECOMMENDATIONS WILL SUFFICE. SOIL FERTILITY IS EXTREMELY LOW, LOSSES TO PESTS ARE VERY HIGH AND BOTH ISSUES ARE RESEARCH PRIORITIES.

HOWEVER, DEVELOPMENT OF PROFITABLE TECHNICAL PACKAGES WILL NOT LEAD TO THEIR USE UNLESS A TECHNOLOGY DIFFUSION MECHANISM IS IN PLACE, REACHING WOMEN AS WELL AS MEN. WITH THE EXCEPTION OF SEVERAL PROJECT AREAS, THE NATIONAL EXTENSION SERVICE IS A SHAMBLES. IT IS TOP-HEAVY AND, SINCE IT IS NOT LOCALLY BASED, LARGELY IMMOBILE DUE TO SHORTAGES OF PETROL. PRIVATE SECTOR ALTERNATIVES ARE NOT CURRENTLY AVAILABLE, AND PROGRESS IN THIS AREA WILL DEPEND ON CONTINUED IMPLEMENTATION OF POLICY CHANGES AND PRIVATIZATION OF INPUT DELIVERY. VI THE PROPOSED PROGRAM

A. CONCLUSIONS

- WE BELIEVE THE ANALYSIS PRESENTED ABOVE INDICATES THE FOLLOWING:

- (1) SHORT TO MEDIUM TERM AGRICULTURAL PRODUCTION GAINS ARE MOST LIKELY TO BE FOUND IN GRAIN PRODUCTION, BOTH DRYLAND AND IRRIGATED.

- (2) THERE ARE A NUMBER OF CONSTRAINTS TO REALIZING THESE PRODUCTION GAINS:

(a) LACK OF PROVEN, ECONOMIC TECHNOLOGICAL

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E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

- PACKAGES.
- (B) LACK OF A COMPREHENSIVE WATER MANAGEMENT SYSTEM ON THE SHEBELLE WATERSHED.
- (C) INADEQUATE IRRIGATION INFRASTRUCTURE IN THE SHEBELLE.
- (D) LACK OF AN EFFECTIVE INPUT DELIVERY SYSTEM.
- (E) LACK OF AN EFFECTIVE EXTENSION SYSTEM
- (F) SHORTAGES OF KEY SKILLS.

- (3) IN THE LONGER TERM THERE MAY BE SUBSTANTIAL EXPORT POTENTIAL IN LIVESTOCK AND HORTICULTURE; IN ADDITION THERE ARE IMMEDIATE GAINS TO BE REALIZED IN RECAPTURING EXPORT MARKETS FOR LIVE ANIMALS.

- (4) THERE ARE A NUMBER OF CONSTRAINTS WHICH NEED TO BE ADDRESSED HERE AS WELL
 - (A) LACK OF CLEAR MARKET POTENTIAL FOR PROCESSED LIVESTOCK PRODUCTS AND HORTICULTURAL CROPS.
 - (B) LACK OF ANY PRODUCTION CAPACITY FOR INCREASING SUPPLY OF THESE PRODUCTS.
 - (3) WE BELIEVE, HOWEVER, THAT AID OR ANY DONOR'S CAPACITY TO INCREASE PRODUCTION IN THE EXPORT AREA IS LIMITED TO A FACILITATING ROLE. MOST CAPITAL AND TECHNICAL INPUTS WILL HAVE TO COME FROM THE PRIVATE SECTOR, BOTH DOMESTIC AND INTERNATIONAL.
 - (6) LONG TERM (15 YEARS AND BEYOND) DEVELOPMENT WILL DEPEND ON A MUCH BROADENED INSTITUTIONAL CAPACITY TO DEVELOP NEW TECHNOLOGIES AND TO EXTEND THOSE TECHNOLOGIES, AS WELL AS A CAPACITY TO MANAGE AN EXTREMELY LIMITED AND FRAGILE NATURAL RESOURCE BASE.

B. AGRICULTURAL SECTOR PROJECT INTERVENTIONS

- (1) CONTINUED WORK ON LIVESTOCK MARKETING
- (2) STRENGTHENING OF ADAPTIVE RESEARCH PARTICULARLY SORGHUM AND MAIZE.
- (3) CONTINUED DISSEMINATION OF RESEARCH TO THE EXTENSION SYSTEM

- (4) DEVELOPMENT OF A CAPACITY TO MANAGE WATER AND SOIL RESOURCES IN THE SHEBELLE VALLEY.

- (5) REHABILITATION OF SHEBELLE IRRIGATION INFRASTRUCTURE.

- (6) LIMITED TRAINING TO ENABLE SOMALI PARTICIPATION IN (2), (3), (4), AND (5) ABOVE. THE NEW INTERVENTIONS CAN BE COMBINED INTO TWO PROJECTS WHICH WILL BE DISCUSSED IN MORE DETAIL BELOW.

C. PROPOSED PROGRAM INTERVENTIONS

IT IS CLEAR FROM THE FOREGOING THAT LITTLE OF LASTING IMPORT CAN BE GAINED WITHOUT SOME MAJOR POLICY SHIFTS. WE PROPOSE THAT THE MISSION DEVELOP A MECHANISM FOR USING ITS CIP AND PL 480 RESOURCES TO ACHIEVE THE FOLLOWING OBJECTIVES OVER A REASONABLE (5 YEAR) TIME FRAME.

- (1) CONTINUE STRENGTHENING AND EXPANSION OF A PRIVATE SECTOR INPUT DELIVERY CAPACITY (THROUGH FERTILIZER AND PERHAPS AGRICULTURAL CHEMICAL IMPORTS).
- (2) RATIONALIZE THE OPERATION OF THOSE MINISTRIES ACTIVE IN THE AGRICULTURE/LIVESTOCK SECTOR BY WORKING WITH DONORS TO:
 - (A) END PROJECT PROLIFERATION AND INSTITUTIONAL FRAGMENTATION.
 - (B) USE LOCAL CURRENCY RESOURCES TO FUND, AT A REASONABLE LEVEL, RECURRENT COSTS IN AGRICULTURAL SECTOR MINISTRIES.
- (3) CONTINUE THE PROCESS OF ELIMINATION OF PUBLIC SECTOR FOOD IMPORTS.
- (4) WORK WITH THE IMF AND THE SOMALIS TO ESTABLISH A

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INSTITUTIONALIZATION OF A NATIONAL SOMALI CAPACITY TO PLAN AND CARRYOUT ADAPTIVE RESEARCH .

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IN ACHIEVING THESE PURPOSES, CARE MUST BE EXERCISED THAT INSTITUTIONALIZATION DOES NOT BECOME THE MAJOR ACTIVITY.

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DEVELOPING THE CURRENT SORGHUM RESEARCH ACTIVITIES OF THE BAY REGION PROJECT, THE IRRIGATED MAIZE RESEARCH PORTION OF THE AGRICULTURAL DELIVERY SYSTEMS PROJECT, AND NEW RESEARCH ACTIVITIES IN IRRIGATION WATER MANAGEMENT INTO A FUNCTIONAL MORE NATIONAL EFFORT WOULD SEEM TO BE A FIRST STEP. THIS WOULD ALLOW RESEARCH ON THESE HIGH PRIORITY AREAS TO CONTINUE AND INCREASE WHILE THE LEGAL, INSTITUTIONAL AND ORGANIZATIONAL FRAMEWORK FOR A CENTRALIZED STRUCTURE IS BEING DEVELOPED. THE FRAMEWORK SHOULD BUILD UP FROM EXISTING FUNCTIONAL NEEDS AND OPPORTUNITIES RATHER BUILDING DOWN FROM THE PERCEIVED NEED FOR A CENTRALIZED STRUCTURE.

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C. OUTPUTS

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OUTPUTS WILL INCLUDE ADAPTIVE RESEARCH PROGRAMS, RESEARCH RESULTS AND RECOMMENDATIONS, INTER-MINISTERIAL RESEARCH LINKAGES, FACILITIES AND TRAINED PERSONNEL. A STUDY TO IDENTIFY SKILLED MANPOWER REQUIREMENTS IN THE AGRICULTURAL SECTOR, INCLUDING IRRIGATION, WILL ALSO BE COMPLETED.

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D. HIGH PRIORITY FUNCTIONAL RESEARCH PROGRAM NEEDS

E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

- (1) NATIONAL RESEARCH PLANNING AND SERVICES- THERE IS A NEED TO IMPROVE RESEARCH PLANNING ON A FUNCTIONAL SECTOR BASIS. THERE IS ALSO A NEED TO PROVIDE A NUMBER OF SERVICES AT A NATIONAL RATHER THAN INDIVIDUAL PROJECT LEVEL.

TAX SYSTEM WITH REASONABLE BUOYANCY WHICH DOES NOT UNDULY DISTORT ECONOMIC INCENTIVES.

D. ASSUMPTIONS

A COMBINATION OF RESIDENT TECHNICAL ADVISORS, TDY ASSISTANCE, AND FOCUSSED SEMINARS/WORKSHOPS WILL HELP DEVELOP AND STRENGTHEN THE FOLLOWING AREAS.

PROGRAM SUCCESS DEPENDS ON THE FOLLOWING ASSUMPTIONS BEING REALIZED:

- (1) POLICY CHANGES DISCUSSED ABOVE ARE IMPLEMENTED.
- (2) CONTINUED IBRD SUPPORT FOR DEVELOPMENT OF THE EXTENSION SERVICE.
- (3) CONTINUED PROGRESS IN GRAIN MARKETING AND FOREIGN EXCHANGE LIBERALIZATION.
- (4) IBRD AND OTHER DONORS WILL MAKE NEEDED INPUTS INTO STRENGTHENING THE AGRICULTURAL PLANNING PROCESS.
- (5) TRANSPORT PLANNING AND INFRASTRUCTURE REQUIREMENTS WILL BE PROVIDED BY OTHER DONORS.

VII NEW PROJECT - AGRICULTURAL RESEARCH

A. SETTING
AS INDICATED ABOVE, LOW LEVELS OF TECHNOLOGY ARE CURRENTLY EMPLOYED IN THE PRODUCTION PROCESS. NEVERTHELESS, ON-GOING RESEARCH EFFORTS ARE SO MODEST AND FRAGMENTED THAT THE DEVELOPMENT OF MORE ADVANCED TECHNOLOGY CANNOT BE EXPECTED. INADEQUATE MANPOWER, FACILITIES, EQUIPMENT, PLANNING, ORGANIZATION AND ADMINISTRATION ARE ALL SERIOUS PROBLEMS TO BE OVERCOME IF AN EFFECTIVE RESEARCH SYSTEM AND SPECIFIC ADAPTED TECHNOLOGIES ARE TO BE DEVELOPED. INCLUSION OF ALL EXISTING SOMALI SOURCES OF EXPERTISE AND FACILITIES AND BOTH ON-FARM WATER MANAGEMENT RESEARCH IN IRRIGATED AREAS AND MOISTURE CONSERVATION PRACTICES IN DRYLAND AREAS IS DESIRABLE.

B. PROJECT PURPOSES

- (1) TO DEVELOP AND DELIVER ADAPTIVE TECHNOLOGY FOR INCREASING PRODUCTION OF INTEGRATED MAIZE/SORGHUM/LIVESTOCK SYSTEMS.
- (2) TO BEGIN THE DEVELOPMENT AND

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E.O. 12356: N/A

SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

- (A) RESEARCH MANAGEMENT -
 - RESEARCH MANAGERS, LEADERS AND COORDINATORS
 - REQUIRE SOME SPECIFIC PROBLEM-FOCUSSED ASSISTANCE. (RESIDENT CHIEF OF PARTY)
- (B) SOIL AND WATER ANALYSIS LABORATORY -
 - THERE IS A NEED TO PROVIDE HIGH QUALITY, DEPENDABLE ANALYTICAL SERVICES ON A PARTIALLY REIMBURSABLE BASIS TO RESEARCH PROJECTS, DEVELOPMENTAL PROJECTS, AND SPECIAL STUDIES.
- (C) AGROCLIMATE LABORATORY -
 - THERE IS A NEED TO UNIFY IN ONE PLACE THE COLLECTION AND ANALYSIS OF AGROCLIMATIC DATA. THIS WILL HELP ENSURE THAT DATA CAN BE COMPARED AMONG PROJECTS AND PROVIDE BACKSTOPPING TO RESEARCH SCIENTISTS IN PLANNING AND CONDUCTING RESEARCH IN SOIL-PLANT-WATER RELATIONSHIPS, IRRIGATION WATER MANAGEMENT, CROP CALENDARS, AGRONOMIC PRACTICES, RANGE MANAGEMENT, AND LIVESTOCK SURFACE-WATER SUPPLY. (RESIDENT SCIENTIST)
- (D) SOIL SURVEY AND LAND USE -
 - THERE IS A NEED TO CENTRALIZE IN ONE LOCATION RESPONSIBILITY FOR COLLECTING AND PROVIDING TO OTHER USERS INFORMATION ON SOIL SURVEYS WITH VARIOUS LEVELS OF INTERPRETATION, LAND USE SURVEYS, AND RANGE RESOURCE SURVEYS COLLECTED AND DEVELOPED BY RESEARCH PROJECTS, DEVELOPMENTAL PROJECTS, AND FEASIBILITY STUDIES. THERE IS ALSO A NEED FOR PROVIDING RESEARCH SCIENTISTS AND DEVELOPMENT PLANNERS ASSISTANCE ON SOIL AND LAND USE INTERPRETATION, EXTRAPOLATION OF RESEARCH RESULTS (TECHNOLOGY TRANSFER), AGRONOMIC RESEARCH DESIGN, IRRIGATION WATER MANAGEMENT, AND SECTORAL LAND USE PLANNING. THE SOILS LABORATORY AT CARS, WHICH IS ALREADY RECEIVING SUPPORT FROM THE JUBA VALLEY STUDIES PROJECT, WOULD CONTINUE TO BE THE FOCUS OF THIS ASSISTANCE. (RESIDENT SOIL SURVEY/LAND USE SPECIALIST)
- (E) ECONOMIC ANALYSES AND INTERPRETATION -
 - HERE IS A NEED TO PROVIDE ASSISTANCE TO RESEARCH SCIENTISTS AND OTHER USERS ON ECONOMIC ASPECTS OF PRODUCTION SYSTEMS.

- SPECIFIC ASSISTANCE IS NEEDED ON PRODUCTION ECONOMIC, TECHNICAL INPUT/OUTPUT
- RELATIONSHIPS, FEEDBACK FROM EXTENSION ACTIVITIES, PRODUCTION OPTIMIZATION, AND RESEARCH DESIGN QUESTIONS. (RESIDENT AGRICULTURAL ECONOMIST)

- (2) IRRIGATED CROPPING SYSTEMS-

- PRIMARY EMPHASIS ON MAIZE SYSTEMS.
- SECONDARY EMPHASIS ON FORAGE SYSTEMS.

THESE EMPHASES SHOULD NOT BE CONSTRUED TO BE COMPLETELY EXCLUSIVE. THUS THE STUDY OF A SECOND SEASON RAINFED OR PARTIALLY IRRIGATED SESAME OR SORGHUM CROP MAY BE STUDIED AS PART OF THE MAIZE SYSTEM ALTHOUGH THE PRIMARY OBJECTIVE REMAINS ONE OF INCREASING MAIZE PRODUCTION. LIKEWISE THE USE OF A GRAIN LEGUME OR FORAGE LEGUME IN A ROTATION MAY BE INVESTIGATED AS A MEANS OF SUSTAINING INCREASED MAIZE PRODUCTION. FORAGE LEGUMES OR GRASSES, AND CROP FODDER WOULD BE STUDIED WITH THE OBJECTIVE OF INCREASING OUTPUT OF THE BASIC IRRIGATED MAIZE SYSTEM OR IRRIGATED MAIZE/LIVESTOCK SYSTEM. PRIMARY ACTIVITY WOULD BE IN THE MIDDLE AND LOWER SHEBELLE.

- PRIMARY FOCI OF RESEARCH

- (A) AGRONOMIC PRACTICES -
 - THERE IS A NEED TO HELP DESIGN RESEARCH TRIALS AND ASSIST NATIONAL SCIENTISTS TO ADDRESS QUESTIONS ON PLANTING PATTERNS (ROW PLANTING, ROW WIDTHS, PLANT DENSITIES), CROP ROTATIONS, WEED CONTROL, INTERCROPPING, AND CROP CALENDARS. (RESIDENT CROP AGRONOMIST)

(B) ENTOMOLOGICAL PROBLEMS -

- MAJOR PRODUCTION LOSSES DUE TO FIELD AND

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E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

- STORAGE INSECTS MUST BE ADDRESSED.
- (C) PATHOLOGICAL PROBLEMS -
- (D) SOIL SALINITY PROBLEMS -
- ASSISTANCE IS NEEDED TO INITIATE AND DEVELOP A RESEARCH PROGRAM ADDRESSING SALINITY RELATIONSHIPS OF WATER QUALITY, AND IRRIGATION PRACTICES. (RESIDENT SOIL PHYSICIST)
- (E) SOIL FERTILITY PROBLEMS -
- ASSISTANCE IS NEEDED TO ADDRESS QUESTIONS RELATING TO FERTILIZER ADDITIONS, LEGUME ROTATIONS, AND SPATIAL VARIABILITY. (RESIDENT SOIL FERTILITY RESEARCHER)
- (F) IRRIGATION WATER MANAGEMENT -
- ASSISTANCE IS NEEDED TO INITIATE AND DEVELOP A RESEARCH PROGRAM RELATED TO ON-FARM WATER MANAGEMENT, AND TO ADDRESS QUESTIONS CONCERNING SYSTEM DESIGN, WATER MEASUREMENTS, STRUCTURES, AND DRAINAGE. (RESIDENT IRRIGATION ENGINEER)
- (G) MECHANIZATION -
- THERE IS A NEED FOR ASSISTANCE TO NATIONAL SCIENTISTS IN IMPROVING BASIC IMPLEMENTS AND ON ANIMAL TRACTION, PARTICULARLY WITH RESPECT TO WEED CONTROL.
- (3) DRYLAND CROPPING SYSTEMS-
- PRIMARY EMPHASIS ON SORGHUM SYSTEMS.
- SECONDARY EMPHASIS ON FORAGE SYSTEMS.

AGAIN THESE EMPHASES ARE NOT CONSIDERED EXCLUSIVE.
PRIMARY ACTIVITY WOULD BE IN THE MIDDLE SHEBELLE AND BAY REGIONS.

PRIMARY FOCI OF RESEARCH

- (A) AGRONOMIC PRACTICES -
- ASSISTANCE IS NEEDED IN PRACTICES SIMILAR TO 2-A (RESIDENT AGRONOMIST)
- (B) SOIL AND WATER CONSERVATION -
- THERE IS A NEED TO ASSIST NATIONAL SCIENTISTS IN DEVELOPING A RESEARCH PROGRAM IN SOIL AND

- WATER MANAGEMENT INCLUDING TILLAGE PRACTICES, FALLOW SYSTEMS, WEED CONTROL, CRUICKING/RUNOFF, AND SOIL VARIABILITY. (RESIDENT SOIL PHYSICIST OR SOIL AND WATER MANAGEMENT SPECIALIST)
- (C) FORAGE AND FODDER PRODUCTION -
- THERE IS A NEED TO ADDRESS THE QUESTION OF LIVESTOCK FEED AS PRODUCED WITHIN THE SORGHUM/MAIZE SYSTEMS. (RESIDENT ANIMAL PRODUCTION/NUTRITION SPECIALIST AND RESIDENT FORAGE AGRONOMIST)

E. PROJECT ASSISTANCE GUIDELINES

IT WOULD BE DESIRABLE FOR THE PROJECT STAFF TO BE LOCATED AT AFGOI TO PROVIDE A NATIONAL PROGRAM TYPE FOCUS ALBEIT STILL IN A PROJECT MODE. PRIMARY NEED FOR ASSISTANCE IN IRRIGATED SYSTEMS IS AT AFGOI AND JANALE. ASSISTANCE IN DRYLAND SYSTEMS IS NEEDED AT BONKA AND AFGOI BUT ALSO JANALE.

IT WOULD BE USEFUL IF PROJECT STAFF COULD HOLD ADJUNCT STATUS WITH THE UNIVERSITY AND WORK CLOSELY WITH UNIVERSITY FACULTY ON COLLABORATIVE RESEARCH PROJECTS AND AS CO-ADVISORS TO CERTAIN THESIS STUDENTS. IT IS EXPECTED THAT THEY WOULD BE PRIMARY RESEARCH ADVISORS FOR MS STUDENTS WHO HAVE COMPLETED THEIR GRADUATE COURSES ABROAD AND ARE DOING THEIR THESIS RESEARCH IN-COUNTRY AS REQUIRED.

IT WOULD BE MOST USEFUL IF THE PROJECT STAFF COULD WORK WITH THE PROJECT FOR 5 YEARS THROUGH A COMBINATION OF SHORT-TERM TDYS AND RESIDENCE IN COUNTRY. A MODEL SITUATION MIGHT BE TDYC THE FIRST YEAR, 24-30 MONTHS IN RESIDENCE AND THEN 4-5 3-WEEK TDYS THE LAST YEARS. THIS WOULD ALLOW FOR MORE EFFICIENT START-UP AND ALSO MORE EFFECTIVE FOLLOW-THROUGH AFTER THE RESIDENCE TIME TO

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(2) RESEARCH OPERATION AND SUPPORT 5.0

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TOTAL LOCAL CURRENCY 7.0
GRAND TOTAL 32.0

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G. RESEARCH ORGANIZATION

THERE IS NO QUESTION THAT THE CURRENT ORGANIZATION OF RESEARCH IS UNSATISFACTORY. THE AUTONOMOUS OR SEMIAUTONOMOUS PROGRAMS IN VARIOUS REGIONS BEING CONDUCTED BY VARIOUS ORGANIZATIONS ARE INEFFECTIVE IN TERMS OF COST, MANPOWER AND RESULTS. NOR DOES THE SYSTEM BRING IN OR SERIOUSLY UTILIZE THE POTENTIALLY VALUABLE POOLS OF MANPOWER IN THE FACILITIES OF AGRICULTURE AND VETERINARY MEDICINE. THE NEED IS FOR A COORDINATED AND PLANNED EFFORT WITHIN AN OVERALL ADMINISTRATIVE SYSTEM WHICH WILL ALLOCATE RESOURCES AND RESPONSIBILITY, REDUCE OVERLAP, UTILIZE ALL AVAILABLE MANPOWER AND ENSURE RESULTS ARE OBTAINED AND DISSEMINATED.

THERE ARE SEVERAL OPTIONS FOR ESTABLISHING THE DESIRED SYSTEM. IDEAS MENTIONED INCLUDE INDEPENDENT RESEARCH INSTITUTES, A NATIONAL RESEARCH INSTITUTE UNDER A NATIONAL RESEARCH COUNCIL, A RESEARCH INSTITUTE UNDER THE UNIVERSITY AND AN INSTITUTE UNDER THE NATIONAL ACADEMY OF ARTS AND SCIENCES.

IT IS RECOMMENDED THAT THIS ISSUE BE CLOSELY AND THOROUGHLY EXAMINED DURING THE DESIGN PROCESS. THE OBJECTIVE MUST BE TO IDENTIFY THE SIMPLEST ORGANIZATIONAL STRUCTURE WHICH CAN BE SUSTAINED BY SOMALIA OVER THE LONG-RUN AND WHICH CAN PROVIDE THE REQUIRED PLANNING, DIRECTION AND COORDINATION. ESTABLISHMENT AND RECURRENT OPERATING COSTS MUST ALSO BE KEPT LOW.

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AIDAC

E.O. 12350: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

KEEP THE RESEARCH EFFORT MOVING THROUGH CONTINUITY OF ASSISTANCE TO THE SOMALI STAFF.

IT IS EXPECTED THAT EACH OF THE RESEARCH AREAS WOULD SEND 2-4 PERSONS FOR OUTSIDE MS TRAINING. WITH A 50 RETURN RATE THIS SHOULD PROVIDE FOR A PERSON IN EACH RESEARCH AREA AND IN SOME CASES FOR A POSITION ELSEWHERE IN THE GOVERNMENT. OUTSIDE PHD TRAINING IS NEEDED IN AREAS OF GREATEST PRIORITY, SUCH AS AGRONOMY, SOIL AND WATER MANAGEMENT, AND IRRIGATION WATER MANAGEMENT.

A LIMITED AMOUNT OF SHORT-TERM TDY ASSISTANCE IS ALSO NEEDED TO HELP DEVELOP THE INSTITUTIONAL AND ORGANIZATIONAL FRAMEWORK FOR THE NATIONAL SYSTEM.

AN EVALUATION AFTER 3 YEARS COULD HELP DETERMINE THE EXTENT OF DEVELOPMENT OF THE NATIONAL SYSTEM FRAMEWORK AND WHETHER THE PROJECT SHOULD BE EXTENDED, MODIFIED, OR AUGMENTED (E.G. WITH SPECIFIC ATTENTION TO RANGE AND LIVESTOCK RESEARCH).

F. INDICATIVE BUDGET

- FOREIGN EXCHANGE		(MILLIONS US DOL)
(1) TECHNICAL ASSISTANCE		
LONG-TERM	40 PERSON YEARS	10.0
SHORT-TERM	70 PERSON MONTHS	1.0
(2) TRAINING		
MS	40 INDIVIDUALS	3.0
PHD	10 INDIVIDUALS	1.0
SHORT TERM		0.5
(3) COMMODITIES		
		4.0
(4) FACILITIES		
		3.0
(5) STUDIES		
		0.5
(6) OVERHEAD		
		2.0
- TOTAL FX		25.0
- LOCAL CURRENCY (U.S. DOLLAR EQUIVALENT)		
(1) FACILITIES		
		2.0

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AIDAC

E.O. 12333: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

H. TRAINING

- (1) ADVANCED DEGREE TRAINING -

WHILE SOMALIA HAS A GENERAL EXCESS OF SCHOOL LEAVERS AT ALL LEVELS, SHORTAGES OF SPECIALIZED MANPOWER WITH ADVANCED DEGREES REMAIN A SERIOUS PROBLEM TO THE SUSTAINED IMPLEMENTATION OF AGRICULTURAL DEVELOPMENT EFFORTS. THESE SHORTAGES ARE PARTICULARLY EVIDENT IN SEVERAL AREAS OF LEGITIMATE GSDR INVOLVEMENT (RESEARCH AND EXTENSION) AND MAY ALSO BECOME A PROBLEM FOR THE PRIVATE SECTOR AS PRIVATIZATION OF THE ECONOMY OCCURS. PART OF THE PROBLEM STEMS FROM THE ACCELERATED DEMAND FOR SKILLED INDIVIDUALS AS THE PACE OF DEVELOPMENT HAS INCREASED, PART FROM A LOSS OF PEOPLE TO BETTER PAYING JOBS OUTSIDE THE COUNTRY, AND PART FROM A LACK OF INDIGENOUS INSTITUTIONS ABLE TO PRODUCE PERSONNEL NEEDED AT THE ADVANCED DEGREE LEVEL.

THE OBVIOUS LONG-RUN SOLUTION TO THESE PROBLEMS IS THE DEVELOPMENT OF LOCAL INSTITUTIONS TO PRODUCE NEEDED MANPOWER AND A SYSTEM OF INCENTIVES THAT WILL KEEP SKILLED PEOPLE IN SOMALIA. THE FACULTY OF AGRICULTURE AT THE UNIVERSITY OF SOMALIA SEEMINGLY PROVIDES A BASE FROM WHICH TO BUILD APPROPRIATE ADVANCED DEGREE TRAINING PROGRAMS WHILE CIVIL SERVICE REFORM EFFORTS MAY SOLVE THE MANPOWER RETENTION PROBLEM.

CIVIL SERVICE REFORM AND ITS LIKELIHOOD ARE DISCUSSED ELSEWHERE IN THIS PAPER. REGARDING THE CURRENT CAPACITY OF THE FACULTY OF AGRICULTURE TO FULFILL A LARGE TRAINING ROLE, MANY UNCERTAINTIES REMAIN. THE UNDERGRADUATE PROGRAM IS STILL DEVELOPING AND DOES NOT CURRENTLY PROVIDE A STRONG BASE FOR A GRADUATE PROGRAM. MOST SOMALI FACULTY MEMBERS LACK ADVANCED DEGREE TRAINING. FACILITIES ARE VERY LIMITED. FACULTY MEMBERS DO NOT HAVE A TRADITION OF EXTENSIVE RESEARCH INVOLVEMENT. CURRENT PRACTICE IS FOR EACH FACULTY MEMBER TO TEACH ONLY ONE COURSE PER YEAR.

ADDITIONAL UNCERTAINTY OVER THE NEED FOR AND TIMING OF AN EXPANDED FACULTY OF AGRICULTURE CAPABILITY STEMS FROM THE LACK OF INFORMATION ON LONG-RUN REQUIREMENTS FOR MANPOWER IN SOMALIA OF VARIOUS SKILLS AND AT VARIOUS LEVELS. ARE 1, 5, 10 OR 20 MD GRADUATES IN WHAT FIELDS NEEDED ANNUALLY? WHAT EFFECT WILL PRIVATIZATION AND

DEVELOPMENT PROGRAMS HAVE ON DEMAND FOR DEGREE LEVEL PEOPLE? THESE AND SIMILAR QUESTIONS NEED TO BE ANSWERED TO AVOID OVER-BUILDING OR OVER-DEVELOPMENT WITH RESULTANT FINANCIAL AND OTHER PROBLEMS SUCH AS RECURRENT COSTS.

FOR THESE REASONS, AND A JUDGMENT THAT AN ASSISTANCE EFFORT MORE FOCUSED ON RESEARCH HAS A GREATER PROBABILITY OF SUCCESS, SIGNIFICANT SUPPORT FOR ENLARGED TEACHING EFFORTS AT THE FACULTY OF AGRICULTURE SHOULD BE DEFERRED FOR AT LEAST 5 YEARS. DURING THAT PERIOD INFORMATION ON THE ISSUES MENTIONED ABOVE SHOULD BE GATHERED (STUDY OF MANPOWER REQUIREMENTS IN THE SECTOR SHOULD BE CONDUCTED), THE UNDERGRADUATE PROGRAM SHOULD BE STRENGTHENED AND TRAINING PROGRAMS FOR FACULTY STAFF SHOULD BE EXPANDED. PROGRESS IN THESE AREAS, PLUS THE SUCCESSFUL INVOLVEMENT OF THE FACULTY STAFF IN A NATIONAL RESEARCH EFFORT, WOULD PROVIDE A MUCH STRONGER BASE FOR AN EXPANDED PROGRAM IN A SECOND PHASE OF THE PROPOSED PROJECT.

IN THE MEANTIME, NEEDS FOR MS AND PHD LEVEL MANPOWER SHOULD CONTINUE TO BE MET VIA EXTERNAL TRAINING. FEMALE TRAINEES SHOULD BE RECRUITED, WHENEVER POSSIBLE, TO REDRESS CURRENT GENDER IMBALANCES IN THE RESEARCH SYSTEM.
(2) DIPLOMA/SKILLS TRAINING-

IT HAS ALSO BEEN PROPOSED THAT DIPLOMA AND TECHNICAL LEVEL TRAINING BE PROVIDED THROUGH THE FACULTY OF AGRICULTURE AND THE FACULTY OF VETERINARIAN MEDICINE. THIS WOULD HELP SOLVE A PERCEIVED SHORTAGE OF SKILLED MANPOWER IN VARIOUS AGRICULTURAL/TECHNICAL FIELDS AT THE POST-SECONDARY OR INTERMEDIATE LEVEL. STUDENTS WOULD INCLUDE BOTH INDIVIDUALS FOR THE PRIVATE SECTOR AS WELL AS STAFF (NEW AND EXISTING) FOR GOVERNMENT PROGRAMS.

CLEARLY SOME QUANTITY OF MANPOWER AT THIS LEVEL IS

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INFO AMEMBASSY NAIROBI

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AIDAC

E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

NEEDED, BUT AS WITH ADVANCED DEGREE TRAINING, THIS LEVEL IS NOT ESTABLISHED EITHER IN TERMS OF SKILLS OR NUMBERS. IT ALSO SEEMS APPARENT THAT THE INCLUSION OF SUCH A PROGRAM WITHIN A RESEARCH AND RESEARCH ORGANIZATION EFFORT WOULD DILUTE THE FOCUS WHILE INCREASING THE COMPLEXITY.

FOR THESE REASONS IT IS CONCLUDED THAT SUPPORT FOR A DIPLOMA LEVEL PROGRAM SHOULD NOT BE A PART OF THE CURRENTLY PROPOSED 5 YEAR PROGRAM. HOWEVER, DEPENDING ON THE RESULTS OF THE ABOVE MENTIONED MANPOWER SURVEY, SOME ADDITIONAL SUPPORT VIA A PROJECT AMENDMENT OR A NEW PROJECT MAY BE CONSIDERED AT A LATER DATE. ANY SPECIFIC REQUIREMENTS RELATED TO ASSISTANCE EFFORTS UNDER THIS PROJECT SHOULD BE MET THROUGH SPECIFIC SHORT-COURSES, ON-THE-JOB TRAINING OR APPROPRIATE EXTERNAL COURSES TO UPGRADE THE SKILLS OF EXISTING GSDR STAFF AND PRIVATE SECTOR PRODUCERS.

VIII. NEW PROJECT - SHEBELLE WATER MANAGEMENT

A. SETTING

THE SHEBELLE RIVER IS SOMALIA'S MAJOR RESOURCE FOR NEAR AND MEDIUM TERM INCREASES IN CROP PRODUCTION. SHEBELLE WATER IS LIMITED, WITH AVAILABILITY CONSTRAINED BY GROSS INEFFICIENCIES IN CURRENT WATER USE WHICH ONLY ACCELERATE SALINIZATION OF IRRIGABLE LAND, THROUGH OVER-IRRIGATION OF MANY PARTS OF THE BASIN. IF A WATER MANAGEMENT SYSTEM IS NOT PUT INTO PLACE IN THE NEAR TERM, ASTRONOMICAL COSTS AND A LONG TIME HORIZON FOR THE DESALINIZATION OF IRRIGABLE LAND WILL BE REQUIRED, DWARFING THE CURRENT COSTS OF A REMEDIAL DRAINAGE SYSTEM. WATER AVAILABILITY IS THE MAJOR CONSTRAINT ON YIELDS AND HECTARAGE UNDER CULTIVATION. INCREASED EFFICIENCY IN WATER MANAGEMENT FROM THE CURRENT LOW LEVEL OF EFFICIENCY (20) IS THE MAJOR RESOURCE FOR PRODUCTION INCREASES IN THE NEAR AND MEDIUM TERM. THOUGH 58,000 HECTARES ARE ALREADY COMMANDED BY CONTROLLED IRRIGATION, ONLY 30,000-39,000 HECTARES ARE CURRENTLY CROPPED. THE AREA UNDER FLOOD IRRIGATION (INCLUDING WILD FLOODING) IS MUCH LARGER. ACCORDING TO THE '78 MACDONALD STUDY, PROPER MANAGEMENT OF THE JOWHAR RESERVOIR WOULD ALLOW SUFFICIENT WATER FOR A 23,000 HECTARE INCREASE IN THE DRY SEASON CROP AREA.

B. PROJECT PURPOSE

THE PURPOSE OF THIS PROJECT IS TO STRENGTHEN GSDR CAPACITY TO: (1) PLAN AND IMPLEMENT THE REGULATION OF WATER RESOURCES ON A RIVER-BASIN SCALE, (2) REHABILITATE, EXPAND, MANAGE AND MAINTAIN THE SHEBELLE'S PRIMARY IRRIGATION INFRASTRUCTURE, INCLUDING THE MAIN CANAL SYSTEM, RESERVOIRS, AND THEIR ANCILLARY PUMPING AND WATER CONTROL COMMUNICATIONS SYSTEMS, AND (3) ASSESS, COLLECT, AND REINVEST WATER USE FEES TO COVER RECURRENT COSTS OF THE PRIMARY IRRIGATION SYSTEM ON A SELF-SUSTAINING BASIS. SMALLHOLDER PRODUCTION INCREASES WILL BE FOSTERED BY CREATING A ROLE FOR PARTICIPANT INVOLVEMENT IN MORE EFFICIENT WATER USE, ALLOCATION, AND DISTRIBUTION OFF THE MAIN CANAL SYSTEM. WATER SAVINGS THROUGH INCREASED WATER ALLOCATION EFFICIENCY, AND RESTRICTION OF GSDR INSTITUTIONAL STRENGTHENING TO THE FUNCTIONS ABOVE, WILL ALLOW EXPANSION OF PRIVATE SECTOR PRODUCTION AND SERVICES IN THE SHEBELLE IRRIGATION SYSTEM.

C. OUTPUTS

PROJECT ACTIVITIES SHOULD CONSIST OF TWO MAJOR COMPONENTS - SOFTWARE AND INFRASTRUCTURE. DEVELOPMENT OF THE SOFTWARE NEEDED FOR IMPROVED EFFICIENCY IN USE OF SHEBELLE WATER RESOURCES SHOULD BEGIN AS SOON AS POSSIBLE. THIS SOFTWARE INCLUDES:
- ESTABLISHMENT OF A FINANCIAL AND LEGAL FRAMEWORK FOR WATER CONTROL
- TRAINING
- INSTITUTIONAL DEVELOPMENT
- FOCUSED STUDIES TO FILL DATA BASE GAPS (PARTICULARLY INFORMATION ON LAND TENURE, ON-FARM PRACTICES, SOCIO-ECONOMIC STRUCTURE OF PRODUCTION, FARMERS' ASSOCIATIONS, DETAILED STUDIES OF SOILS/WATER QUALITY/LAND LEVELLING AND MORE ENERGY-EFFICIENT PUMPING SYSTEMS IF NEEDED).

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AIDAC

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SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

THE SOFTWARE PROJECT COMPONENTS ARE EVEN MORE ESSENTIAL FOR THE INCREASE IN WATER USE EFFICIENCIES THAN THE INFRASTRUCTURAL UPGRADING COMPONENTS, THUS THESE ELEMENTS SHOULD BEGIN AS SOON AS POSSIBLE, SO THAT TRAINEES AND INSTITUTIONAL DEVELOPMENT WILL COME ON-LINE APACE WITH LATER INFRASTRUCTURAL IMPROVEMENTS AND IRRIGATED RESEARCH RESULTS.

AID'S CONTRIBUTION TO INFRASTRUCTURE DEVELOPMENT WOULD INCLUDE ALL OR SOME OF THE FOLLOWING:

- REHABILITATION OF IRRIGATION CANALS AND DRAINAGE CONDUITS
- INSTALLATION OF NEW DRAINAGE AND IRRIGATION SYSTEMS
- UPGRADING OF EQUIPMENT FOR SILTATION CONTROL, THE MONITORING OF WATER LEVELS, AND THE ABSTRACTION OF WATER
- CONSTRUCTION OF A SUPPLEMENTARY OFF-STREAM STORAGE RESERVOIR AT DUDUBLE
- UPGRADING OF RIVER ACCESS ROADS OFF THE MAIN TRUNK ROAD (LOCAL CURRENCIES ONLY).

FINAL SELECTION OF A VIABLE PACKAGE OF INFRASTRUCTURAL COMPONENTS FOR AID FINANCING WOULD REQUIRE NEGOTIATION WITH THE WORLD BANK AND OTHER DONORS, SINCE BASIN-WIDE REHABILITATION WOULD INCLUDE PARALLEL FINANCING OF COMPLEMENTARY ELEMENTS BY SEVERAL DONORS. ONE OPTION WOULD BE FOR AID TO FOCUS ON THE UPGRADING OF INFRASTRUCTURE WHICH SPECIFICALLY SERVICES SMALLHOLDERS, WHILE OTHER DONORS PROVIDE THE RESOURCES FOR REHABILITATION OF THE BASIN'S PARASTATAL IRRIGATION SCHEMES. RECOMMENDATIONS ON LAND LEVELLING NEEDED ON FARMERS' FIELDS WOULD BE GENERATED BY PROJECT STUDIES, BUT IMPLEMENTATION OF THIS ACTIVITY IS SEEN AS THE PURVIEW OF THE PRIVATE SECTOR AND/OR OTHER DONORS. ALL-WEATHER SURFACING OF UNDER-DEVELOPED PORTIONS OF THE BASIN'S TRUNK ROAD WOULD ALSO BE A DOLLAR EXPENDITURE SUPPORTED BY OTHER DONORS.

INFRASTRUCTURAL REHAB WOULD BEGIN AFTER THE ESTABLISHMENT OF THE NECESSARY LEGAL AND INSTITUTIONAL BASE. A NUMBER OF GSDR AND FAO STUDIES HAVE ALREADY BEEN COMPLETED, AND THE KFW-FUNDED LAHMEYER PHASE I CONSULTANT STUDY OF THE SHEBELLE'S SYSTEM-WIDE REHAB NEEDS WILL BE AVAILABLE IN MID-DECEMBER '85. THE TAMS INTERIM REPORT ON THE JAHALE REHAB SUB-PROJECT (BANK-FUNDED) WILL BE AVAILABLE IN JANUARY '86. THESE REPORTS CAN FORM THE BASIS FOR PROJECT DESIGN.

TRAINING, LEGAL, FINANCIAL, AND INSTITUTIONAL DEVELOPMENT OUTPUTS OF THE SHEBELLE WATER MANAGEMENT PROJECT WOULD BE DIRECTLY TRANSFERABLE TO JUBA VALLEY DEVELOPMENT IF AND WHEN BARDHERE DAM COMES ON LINE.

D. PROBLEMS TO BE ADDRESSED

CROP YIELDS ARE CURRENTLY EXTREMELY LOW, BECAUSE OF AN ALMOST TOTAL LACK OF WATER MANAGEMENT, AND THE LOW LEVEL OF AGRONOMIC PRACTICES.

THE WATER MANAGEMENT PROBLEM CAN BE DIVIDED INTO THREE BASIC ISSUES AS FOLLOWS:

- (1) LEGAL AND POLICY FRAMEWORK: THIS IS NEEDED AS A BASIS FOR WATER CONTROL, ALLOCATION, AND COST RECOVERY (INCLUDING MAINTENANCE). FAO HAS ASSISTED THE GSDR TO DRAFT A WATER LAW WHICH HAS STILL NOT BEEN LEGISLATIVELY ENACTED. THIS LAW ALLOCATES AND DEFINES INSTITUTIONAL RESPONSIBILITIES FOR WATER MANAGEMENT IN SOMALIA, AND PROVIDES A LEGAL BASIS FOR THE ALLOCATION OF SHEBELLE RIVER WATER TO CONTROLLED AND FLOOD IRRIGATION, AND FOR THE ASSESSMENT AND COLLECTION OF WATER USER FEES. IMPLEMENTATION OF A WATER LAW IN SOME FORM IS A MAJOR STEP WHICH NEEDS TO BE TAKEN. LAND REGISTRATION NEEDS TO BE CLEARLY MAPPED, AND CONFLICTING CLAIMS RESOLVED, FOR THE SUCCESSFUL IMPLEMENTATION OF A WATER RATE ASSESSMENT AND FEE COLLECTION SYSTEM.
- (2) INSTITUTIONAL FRAMEWORK: INSTITUTIONS RESPONSIBLE FOR WATER CONTROL ARE WEAK AND INEFFECTIVE. SHEBELLE WATER CONTROL IS NOW VESTED IN THE MINISTRY OF AGRICULTURE (MOA) LAND AND WATER RESOURCES DEPARTMENT. THE DRAFT WATER LAW VESTS NATIONAL WATER POLICY DECISIONS IN THE INTER-MINISTERIAL NATIONAL WATER COMMITTEE (NWC), SUPPORTED BY STAFF MEMBERS FROM THE SAME MINISTRIES WHO ARE ORGANIZED INTO THE NATIONAL

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INFRASTRUCTURAL REHAB UNLESS THE GSDR AGREES TO NEEDED
SOFTWARE PROJECT COMPONENTS AS WELL.

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AIDAC

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SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

TECHNICAL COMMITTEE (NTC). NEITHER HNC NOR NTC HAS A SUPPORT STAFF OR SECRETARIAT BEYOND THE SEPARATE LINE STAFFS OF THE MINISTRIES OF WHICH THEY ARE COMPRISED. THESE COMMITTEES ARE APPROPRIATE FOR INTER-MINISTERIAL REVIEW, GUIDANCE, AND APPROVAL OF DETAILED PLANS FOR SHEBELLE WATER CONTROL, ALLOCATION, AND FEE ASSESSMENT, BUT THE PRIMARY INSTITUTION RESPONSIBLE FOR TECHNICAL PRODUCTION AND IMPLEMENTATION OF THESE PLANS WILL BE THE LAND AND WATER RESOURCES DEPARTMENT OF THE MOA, UNLESS THE GSDR DECIDES TO CREATE A SHEBELLE VALLEY AUTHORITY UNDER THE MOA. CONSULTANT PROPOSALS RECOMMENDING A NEW SHEBELLE VALLEY AUTHORITY ARE NOW UNDER CONSIDERATION BY THE GSDR. AID'S PROJECT SHOULD EXPAND AND UPGRADE THE STAFF LEVEL AND SKILLS OF THIS DEPARTMENT (OR THE SHEBELLE VALLEY AUTHORITY IF CREATED), SUPPORTED BY SALARY INCREASES DESIGNED TO RETAIN QUALIFIED STAFF, AND TARGETED RESIDENT AND TDY TECHNICAL ASSISTANCE AND PROFESSIONAL EMPLOYEE EXCHANGE PROGRAMS. DURING PID AND PP DESIGN ACTIVITIES, CONSIDERATION WILL ALSO BE GIVEN TO THE ROLE OF THE MINISTRY OF MINERAL AND WATER RESOURCES AND SPECIFICALLY TO ITS NEW WATER DATA CENTER WHICH IS NOW BEING ESTABLISHED THROUGH AN AID GRANT TO UNDP (UNDER THE COMPREHENSIVE GROUNDWATER DEVELOPMENT PROJECT). THIS WATER DATA CENTER IS BEING CREATED TO MONITOR BOTH SURFACE AND GROUNDWATER NATIONWIDE, AND TO PREPARE A NATIONAL WATER RESOURCE MASTER PLAN. ABOVE ALL, UNNECESSARY INSTITUTIONAL FRAGMENTATION AND PROLIFERATION OF SHEBELLE WATER MANAGEMENT FUNCTIONS SHOULD BE AVOIDED.

- (3) PHYSICAL INFRASTRUCTURE: INFRASTRUCTURE HAS DETERIORATED THROUGH OBSOLESCENCE AND LACK OF FUNDING OR MANAGEMENT FOR MAINTENANCE. ADDITIONAL OFF-STREAM STORAGE AT DUDUBLE UPSTREAM OF JOWHAR IS BEING EVALUATED FOR FEASIBILITY. EXISTING DRAINAGE SYSTEMS ARE TOTALLY INADEQUATE.

E. PROJECT COMPONENTS

- (1) CONDITIONS PRECEDENT: ADOPTION OF A WATER LAW AND A POLICY FOR ADEQUATE REMUNERATION FOR KEY MOA STAFF SHOULD BE CONDITIONS PRECEDENT TO BE SATISFIED DURING THE SHEBELLE WATER MANAGEMENT PROJECT. DURING PROJECT DESIGN, A STRATEGY FOR PHASING THE NECESSARY LEGISLATIVE AND ADMINISTRATIVE ACTIONS SHOULD BE NEGOTIATED WITH THE GSDR. PP BENCHMARKS SHOULD TIE THESE ACTIONS TO APPROPRIATE TRanches IN THE DISBURSEMENT OF PROJECT FUNDS. AID SHOULD NOT AGREE TO FUND SHEBELLE

- (2) TRAINING AND INSTITUTIONAL STRENGTHENING: CREATION OF AN INSTITUTIONAL CAPACITY FOR WATER MANAGEMENT WILL REQUIRE MAJOR EFFORTS IN BOTH PUBLIC AND PRIVATE SECTOR TRAINING AND ORGANIZATIONAL DEVELOPMENT. STUDIES AND TRAINING WILL NEED TO BE CONDUCTED CONCURRENTLY IN MOST CASES. THE MANPOWER NEEDS ASSESSMENT WHICH IS BEING SEPARATELY FUNDED UNDER THE AG RESEARCH PROJECT WILL COMPARE THE SKILLS LEVEL OF THE MOA LAND AND WATER RESOURCES DEPARTMENT AND KEY MINISTRIES WITH THE SHEBELLE WATER MANAGEMENT PROJECT'S MANPOWER NEEDS. FOR THE MOST PART, NEW TRAINING ACTIVITIES WILL BE NEEDED TO PROVIDE AN ADEQUATE NUMBER OF IRRIGATION ENGINEERS (ALMOST NONE AVAILABLE IN EITHER THE UNIVERSITY OR PUBLIC SECTOR AT THIS TIME), IRRIGATION AGRONOMISTS, LAND SURVEYORS AND REGIONAL PLANNERS, FINANCIAL ANALYSTS AND REVENUE COLLECTION PERSONNEL, EXTENSION AGENTS TRAINED IN IRRIGATION IMPROVEMENT TECHNIQUES, AND MECHANICS. LINKS WITH OTHER AID PROJECTS MAY ASSIST IN FILLING THIS NEED. AS WITH THE AG RESEARCH PROJECT, TRAINEES SHOULD BE IDENTIFIED FROM WITHIN THE EXISTING CIVIL SERVICE POOL AS MUCH AS POSSIBLE, AND POST-TRAINING INCENTIVE PAY SHOULD BE ESTABLISHED AT AN ATTRACTIVE LEVEL TO RETAIN STAFF. A STRATEGY FOR TRAINING SHOULD BE DEVELOPED, INCLUDING KEY GSDR AND PRIVATE SECTOR TECHNICIANS, AND THE ORGANIZATION AND TRAINING OF FARMERS' ASSOCIATIONS. THE TRAINING STRATEGY SHOULD SPECIFY THE RULES, TIMING, AND CONTENT OF SHORT AND LONG TERM TRAINING, BOTH WITHIN SOMALIA AND OUTSIDE THE COUNTRY, DEGREE AND NON-DEGREE, AND SHOULD BUILD UPON THE MODELS OF LONGTERM PROFESSIONAL EXCHANGE PROGRAMS WHICH HAVE BEEN SUCCESSFUL ELSEWHERE. FOR EXAMPLE, THE SALT RIVER PROJECT (SRP) IN PHOENIX IS A PRIVATE SECTOR U.S. WATER USERS' ASSOCIATION WHICH EMPLOYS A COMBINATION OF

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TO SECSTATE WASHDC 7888
INFO AMEMBASSY NAIPOB1

UNCLAS SECTION 16 OF 19 MOGADISHU 12973

AIDAC

E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

ELECTRONIC AND MANUAL TECHNOLOGIES FOR ITS CONTROL OF IRRIGATION WATER. THROUGH ITS FOREIGN ACTIVITIES DIVISION, SRP IS CURRENTLY IMPLEMENTING A PROFESSIONAL EMPLOYEE EXCHANGE PROGRAM FOR THE EGYPTIAN MINISTRY OF IRRIGATION, FUNDED BY USAID CAIRO. THE MINISTER OF JUBA VALLEY DEVELOPMENT VISITED THE SRP PROJECT DURING HIS VISIT TO THE U.S. LAST SPRING, AND EXPRESSED INTEREST IN THE INTRODUCTION OF THE SRP PROGRAM IN SOMALIA.

(3) STUDIES AND IMPLEMENTATION PLANNING ASSISTANCE: CRITICAL DATA GAPS FOR THE WATER MANAGEMENT PLAN NEED TO BE FILLED THROUGH CONSULTANT TECHNICAL ASSISTANCE TO THE MDA AND/OR OTHER INSTITUTIONS. THE SOON-TO-BE-DISSEMINATED TAMS AND LAHMEYER PHASE I REPORTS AND EARLIER STUDIES ('68-'69 AND '77-'78) HAVE CREATED A PATCHY DATA BASE ON SOIL CAPABILITIES AND CONSTRAINTS, IRRIGATION PRACTICES, AND COMPUTER MODELS WHICH CAN SIMULATE THE IMPACTS OF ALTERNATIVE SCENARIOS FOR WATER CONTROL AND ALLOCATION. MORE ATTENTION HAS BEEN GIVEN TO THE JANALE-BULO MARETA PROJECT SUB-AREA THAN TO OTHER PARTS OF THE BASIN, OR A BASIN-WIDE SYSTEMS APPROACH. IMPLEMENTATION OF WATER CONTROL WILL REQUIRE A BASIN-WIDE ALLOCATION SYSTEM. THERE IS ALREADY EVIDENCE THAT JOWHAR RESERVOIR IS BEING USED SIGNIFICANTLY BELOW CAPACITY BECAUSE OF INFORMAL FAVORITISM TO DOWNSTREAM FLOOD IRRIGATORS. SIMULTANEOUSLY, THE FEASIBILITY OF CONSTRUCTING A SECOND OFF-STREAM RESERVOIR AT OUDUBLE (ABOVE JOWHAR) IS BEING STUDIED, THOUGH RATIONALIZATION OF THE USE OF JOWHAR HAS NOT YET BEEN IMPLEMENTED.

(A) LAND USE/LAND TENURE-
OFFICIAL SYSTEMS FOR LAND REGISTRATION ARE IN CONSIDERABLE DISARRAY. IT APPEARS THAT LAND SPECULATION HAS LED TO THE REGISTERING OF COMPETING AND OVERLAPPING CLAIMS FOR MAJOR AMOUNTS OF IRRIGABLE LAND IN THE SHEBELLE BASIN. USUFRUCT CLAIMS HAVE NOT BEEN RECORDED IN MOST CASES, AND PROBABLY CONFLICT WITH OFFICIALLY REGISTERED CLAIMS. REGISTERED CLAIMS USUALLY DO NOT INCLUDE GEOGRAPHICAL COORDINATES OR GROUND-TRUTHED SURVEY MARKINGS. BASE MAPS ARE AVAILABLE FROM PREVIOUS STUDIES OF THE BASIN, AND GEOLOGICAL SURVEY WORK PROVIDES VISIBLE FIELD REFERENCE POINTS UPON WHICH A LAND RIGHTS MAP COULD BE BUILT, BUT LAND TITLES AND CLAIMS (LEGALLY ESTABLISHED AS

50 YEAR LEASES) ARE NOT MAPPABLE IN THEIR PRESENT FORM. TECHNICAL ASSISTANCE WILL BE NEEDED TO DEVELOP GOOD CAPABILITY IN SURVEYING AND MAPPING OF LAND REGISTRATION AS A BASIS FOR WATER ALLOCATION AND WATER RATE ASSESSMENT AND COLLECTION. SYSTEMS FOR THE SUB-LEASING OF LAND AND SHARE-CROPPING IN THE BASIN NEED TO BE STUDIED, AND WATER RATE POLICY FOR THESE VARIOUS TYPES OF WATER USER'S NEEDS TO BE ESTABLISHED.

(B) SOCIO-ECONOMIC ORGANIZATION OF PRODUCTION- IT HAS BEEN DEMONSTRATED ELSEWHERE IN THE WORLD THAT RATIONALIZATION OF RIVER BASIN EXPLOITATION REQUIRES PARTICIPANT COLLABORATION IN WATER ALLOCATION, CONTROL, AND FINANCING. PAST SHEBELLE STUDIES HAVE USUALLY GIVEN SHORT SHRIFT (IF ANY ATTENTION AT ALL) TO THE SOCIAL STRUCTURE OF PRODUCTION IN THE VALLEY. IN THE LAHMEYER PHASE I TOR, FOR EXAMPLE, ONLY 50 INTERVIEWS WITH FARMERS WERE BUDGETED, AND TIMING OF THE STUDY DID NOT ALLOW FOR REPEAT INTERVIEWS OR LONGITUDINAL MONITORING OF EVEN THIS SMALL SAMPLE OF FARMERS FOR EVEN A SINGLE YEAR. ENTITIES INVOLVED IN SHEBELLE PRODUCTION INCLUDE SMALLHOLDER IRRIGATORS, PARASTATALS, LARGE PRIVATE SECTOR FARMERS, RESETTLED PASTORALISTS AND REFUGEES, AND NOMADIC AGRO-PASTORALISTS. GENDER-BASED DIVISION OF LABOR; SOCIO-ECONOMIC DIFFERENCES IN ACCESS TO CAPITAL, INPUTS, AND TECHNOLOGY; COMPETING CLAIMS ON SPECIFIC SITES BY PASTORAL AND AGRICULTURAL ACTIVITIES HAVE NOT BEEN ANALYZED FOR THE BASIN AS A WHOLE, OR MAPPED AS SPECIFIC SITE CONSTRAINTS FOR DEVELOPABLE SUB-AREAS OF THE BASIN. COMPETITION BETWEEN USER GROUPS IS A MAJOR

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TO SECSTATE WASHDC 7889
INFO AMEMBASSY NAIROBI

UNCLAS SECTION 17 OF 19 MOGADISHU 12573

AIDAC

E.O. 12356: N/A

SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

- CONCERN, HOWEVER, AND HAS LED TO VIOLENCE AT
- TIMES IN THE PAST. THE EXISTING AND POTENTIAL
- ROLE OF EXTERNAL REMITTANCES IN VALLEY
- DEVELOPMENT NEEDS TO BE STUDIED, AND
- FINANCIAL/INSTITUTIONAL MECHANISMS NEED TO BE
- DEVELOPED TO CAPTURE AND LEVERAGE THESE
- INVESTMENTS MORE PRODUCTIVELY.

- (C) PRIVATIZATION OF PARASTATALS-
- THOUGH IT IS RECOGNIZED THAT PRIVATIZATION OF
- STATE FARMS WILL NEED TO BE AN INCREMENTAL
- PROCESS, SOME SUB-LEASING OF SUGAR ESTATE
- LANDS TO SMALLHOLDERS IN THE JUBA VALLEY HAS
- ALREADY OCCURRED, AND THERE IS CONSIDERABLE
- SCOPE FOR TECHNICAL ASSISTANCE TO THE GSDR IN
- PLANNING FOR SUB-LEASING AND REDISTRIBUTION OF
- SHEBELLE PARASTATAL FARMS. PAST STUDIES OF
- THE SHEBELLE HAVE RECOMMENDED A DECREASE IN
- PARASTATAL HECTARAGE UNDER PERENNIAL SUGAR
- PRODUCTION, AND REDISTRIBUTION OF AREAS
- COULD BE TARGETTED EARLY IN CT. THE
- GSDR HAS ALREADY SET A PRECEDENT FOR TYING
- PARASTATAL FARMS' REALLOCATION TO CIVIL
- SERVICE REFORM, THUS TECHNICAL ASSISTANCE IN
- THIS AREA COULD CONTINUE TO REDUCE THE SIZE OF
- THE CIVIL SERVICE.

- (D) FINANCIAL PLANNING AND WATER RATE COLLECTION-
- PRELIMINARY RECOMMENDATIONS ON THE
- INSTITUTIONALIZATION OF WATER RATES AND THEIR
- COLLECTION WILL BE PRODUCED BY THE LAHMEYER
- PHASE I REPORT, BUT THE TOR DID NOT INCLUDE
- PRODUCTION OF DETAILED INSTITUTIONAL OR COST
- RECOVERY MECHANISMS FOR INFRASTRUCTURAL
- UPGRADING OR WATER MANAGEMENT. TECHNICAL
- ASSISTANCE TO THE MOA, AND ALSO PROBABLY TO
- THE MINISTRIES OF PLANNING AND FINANCE, WILL
- BE REQUIRED FOR THE PRODUCTION OF A RATIONAL
- SYSTEM OF WATER USER FEES, AND PROCEDURES FOR
- THE COLLECTION AND REINVESTMENT OF THESE FEES.

- (E) SOILS/WATER QUALITY/LAND LEVELLING-
- AGAIN, PAST STUDIES HAVE PRODUCED
- GENERAL RECONNAISSANCE INFORMATION, BUT MORE
- IN-DEPTH BASIN-WIDE STUDIES ARE PROBABLY
- NEEDED. DURING THE AG RESEARCH PROJECT'S
- DESIGN, RESPONSIBILITY FOR MORE IN-DEPTH
- SOILS/WATER QUALITY/FARMING PRACTICES STUDIES

- SHOULD BE ALLOCATED BETWEEN THE AG RESEARCH
- AND THE SHEBELLE WATER MANAGEMENT PROJECTS.
- RECOMMENDATIONS ON LAND LEVELLING WOULD BE
- DESIGNED TO BE IMPLEMENTED BY THE PRIVATE
- SECTOR.

(F) INFRASTRUCTURE-

- KFW AND THE WORLD BANK ARE ALREADY FUNDING
- FEASIBILITY STUDIES FOR INVESTMENTS IN
- INFRASTRUCTURAL UPGRADING IN THE SHEBELLE
- BASIN. AID MAY BE ABLE TO PELY ON THE BANK'S
- FINANCIAL AND ENGINEERING STUDIES, FOR THE
- MOST PART, IN SELECTING ITS GEOGRAPHICAL AND
- FINANCIAL FOCUS FOR INFRASTRUCTURAL
- INVESTMENT. SOME FUNDING IN THE SHEBELLE
- WATER MANAGEMENT PROJECT BUDGET SHOULD BE
- RESERVED, HOWEVER, FOR A STUDY OF THE NEED FOR
- ROAD IMPROVEMENTS IN THE BASIN, TO IMPROVE
- ACCESS TO MARKETS. THE ENERGY EFFICIENCY OF
- EXISTING PUMPING EQUIPMENT SHOULD BE ASSESSED,
- AND THE TECHNICAL FEASIBILITY AND
- COST-EFFECTIVENESS OF MORE EFFICIENT PUMPING
- SYSTEMS SHOULD BE STUDIED. DEPENDING UPON THE
- LEVEL OF DETAIL PRODUCED BY CURRENT LAHMEYER
- CONSULTANT STUDIES, MORE STUDY OF DATA
- MANAGEMENT AND WATER CONTROL COMMUNICATIONS
- INFRASTRUCTURE FOR THE IRRIGATION SYSTEM MAY
- BE NEEDED. AID WILL NEED TO BUDGET FOR
- ENGINEERING STUDIES AND FINANCIAL ESTIMATES
- REQUIRED FOR IFB PREPARATION FOR SHEBELLE
- INFRASTRUCTURAL UPGRADING.

(4) PARTICIPANT ORGANIZING-

SPECIFIC TECHNICAL ASSISTANCE SHOULD BE BUDGETED TO
ASSIST THE GSDR TO ORGANIZE FARMERS' ASSOCIATIONS WHICH
CAN PARTICIPATE IN THE IMPLEMENTATION AND FINANCING OF
SHEBELLE WATER MANAGEMENT. THE STUDIES OF THE

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- (1) STUDIES 6.0
- (2) LONG TERM TECHNICAL ASSISTANCE - (28 PERSON YEARS) 7.0
- (3) SHORT TERM TECHNICAL ASSISTANCE - (10 PERSON YEARS) 2.5
- (4) TRAINING 6.0
- (5) FACILITIES 1.5
- (6) COMMODITIES/LOGISTICAL SUPPORT 2.0
- (7) INFRASTRUCTURE 50.0
- (8) TOTAL: 75.0

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UNCLAS SECTION 13 OF 19 MOGADISHU 12973

C O R R E C T E D C O P Y - I T E M S A F T E R " F " A D D E D

AIDAC

E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

SOCIO-ECONOMIC ORGANIZATION OF PRODUCTION AND THE PRIVATIZATION OF PARASTATAL FARMS DISCUSSED ABOVE WILL PRODUCE AN UNDERSTANDING OF THE SOCIAL AND ECONOMIC STRUCTURE OF SHEBELLE COMMUNITIES AND THE BASIN'S PRIVATE SECTOR. RURAL-URBAN LINKAGE STUDIES OF THE SHEBELLE BASIN BY CLARK UNIVERSITY/SARSA COOPERATIVE AGREEMENT ARE BEING FUNDED UNDER AID'S POLICY INITIATIVES AND PRIVATIZATION PROJECT, AND WILL ALSO HELP TO DEFINE RECOMMENDATIONS FOR THE ROLE OF PARTICIPANT ORGANIZATIONS IN WATER ALLOCATION, MONITORING, AND CONTROL, AND MAINTENANCE OF THE COMMUNICATIONS SYSTEM NEEDED FOR THIS WATER CONTROL. PROFESSIONAL EXCHANGES WITH U.S. WATER USERS' ASSOCIATIONS AND OTHER TRAINING ACTIVITIES CAN ASSIST THE GSDR TO DEVELOP AN UNDERSTANDING OF OPTIONS FOR PARTICIPANT COLLABORATION.

(5) INFRASTRUCTURAL UPGRADING AND EXPANSION-

IT IS EXPECTED THAT AID WILL MAKE MAJOR INVESTMENTS IN INFRASTRUCTURAL REHAB AND POSSIBLY THE EXTENSION OF CANALS, DRAINAGE, AND OFF-STREAM STORAGE AREAS. BASIN-WIDE IRRIGATION REHABILITATION WILL BE A MULTI-DONOR EFFORT. INFORMATION IN THE LAHMEYER PHASE 1 STUDY SHOULD ENABLE AID TO QUANTIFY ITS CONTRIBUTION TOWARDS SHEBELLE INFRASTRUCTURAL REHAB, AND POSSIBLE EXPANSION OF FACILITIES (E.G. DUDUBLE RESERVOIR CONSTRUCTION). DURING PROJECT DESIGN, AID'S INVESTMENTS WILL BE DEFINED IN RELATION TO OTHER DONORS' COMMITMENTS TOWARDS THE FINANCING OF NEEDED INFRASTRUCTURE. AID'S INFRASTRUCTURAL PROJECT COMPONENTS SHOULD BE AUTONOMOUS BUT COMPLEMENTARY TO OTHER DONORS' INTERVENTIONS, AND SHOULD PROBABLY FOCUS ON INFRASTRUCTURE WHICH WILL DIRECTLY BENEFIT SMALLHOLDERS. IT IS LIKELY THAT INFRASTRUCTURAL FINANCING WOULD BE NEEDED ON OR ABOUT YEAR 3 OF THE PROJECT. IT WOULD NOT BE NECESSARY FOR STUDIES, TRAINING, AND INSTITUTIONAL STRENGTHENING TO BE COMPLETED PRIOR TO INFRASTRUCTURAL REHAB, BUT THESE ACTIVITIES SHOULD BEGIN AS SOON AS POSSIBLE SINCE THEY REQUIRE LONGER TERM ASSISTANCE THAN THE CONSTRUCTION ACTIVITIES.

F. INDICATIVE FX BUDGET:

MILLIONS OF US DOLLARS

IX. INTERFACE BETWEEN SHEBELLE WATER MANAGEMENT AND AGRICULTURAL RESEARCH PROJECTS

IN THE CONTEXT OF THE AG RESEARCH PROJECT, MINIMUM CROP/WATER TECHNOLOGICAL PACKAGES FOR IRRIGATED MAIZE/FORAGE WILL BE FURTHER REFINED. A TYPOLOGY OF IRRIGATION PRACTICES AND CONSTRAINTS THROUGHOUT THE SHEBELLE IRRIGATED AREA SHOULD ALSO BE PREPARED, AND A MONITRABLE NUMBER OF SITES WHICH REPRESENT THE RANGE OF CROP ROTATIONS, SOIL AND WATER CONDITIONS, AND IRRIGATED PRACTICES IN THE WATERSHED SHOULD BE SELECTED FOR COST/BENEFIT STUDIES, DATA COLLECTION OF INPUTS AND OUTPUTS, AND FIELD TRIALS OF IMPROVED TECH PACKAGES AND LAND PREPARATION IMPROVEMENTS. RESEARCH FINDINGS SHOULD BE CHANNELLED INTO THE DEVELOPMENT OF A WATER ALLOCATION PLAN FOR THE SHEBELLE BASIN, AND SHOULD DEFINE SUPPORTING INVESTMENTS IN LAND LEVELLING, DRAINAGE CONSTRUCTION, AND INPUTS DELIVERY WHICH ARE LIKELY TO BE COST-EFFECTIVE IN MAXIMIZING YIELDS FROM WATER MANAGEMENT. WATER MANAGEMENT AND MORE EFFICIENT WATER ALLOCATION

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UNCLAS SECTION 19 OF 19 MOGADISHU 12973

AIDAC

E.O. 12356: N/A
SUBJECT: AGRICULTURAL SECTOR STRATEGY IMPLEMENTATION

WILL PROVIDE INCREASED WATER SUPPLIES FOR DISTRIBUTION. TRADE-OFFS ARE INVOLVED IN ALLOCATION OF THE WATER SAVED IN THIS WAY. ALLOCATION CHOICES WILL REQUIRE ASSESSMENT OF THE COST/BENEFIT OF EXPANDING PERENNIAL CROPPING (HORTICULTURAL EXPORTS LIKE BANANAS AND MANGOES) VERSUS THE EXPANSION OF HECTARAGE PRODUCING MAIZE IN THE GU SEASON/SESAME IN THE DER SEASON UNDER CONTROLLED OR FLOOD IRRIGATION SYSTEMS. BOTH CONTROLLED AND WILD FLOOD IRRIGATION ARE PRESENT IN THE WATERSHED, AND THE COSTS AND BENEFITS OF ALLOCATION TO EACH SYSTEM UNDER VARIOUS SCENARIOS OF CROP ROTATION MUST BE CONSIDERED AS COMPETING DEMANDS ON WATER MADE AVAILABLE THROUGH INCREASED MANAGEMENT EFFICIENCY.

THE AG RESEARCH PROJECT WILL HAVE THE PRIMARY RESPONSIBILITY FOR GENERATING DATA ON EXISTING PRACTICES, TECH PACKAGES FOR INCREASED PRODUCTION, AND ESTIMATES OF COST/BENEFIT FOR EACH SYSTEM WHICH, THROUGH THE SHEBELLE WATER MANAGEMENT PROJECT, WILL ASSIST THE GSDR TO DEVELOP A PLAN FOR THE ALLOCATION OF WATER SAVINGS THROUGHOUT THE BASIN.

MISSION COMMENT:

THE MISSION PRESUMES THAT THE FOREGOING JOINT TEAM/MISSION PROPOSAL WILL BE REVIEWED AT THE PROJECT COMMITTEE AND ECPR LEVELS. AFTER DISCUSSING THIS CABLE WITH ACTING AID DIRECTOR NELSON, THE AMBASSADOR WILL WANT TO DISCUSS IT WITH DIRECTOR COHEN WHO RETURNS NOVEMBER 28. OUR DISCUSSIONS HERE SINCE THE TEAM'S DEPARTURE HAVE FOCUSED ON THREE POSSIBLE ISSUES:

- 1. SUSTAINABILITY - WE MUST RECOGNIZE THAT THE RESEARCH PROJECTS PROPOSED ARE ONLY THE FIRST STEPS OF A LONG TERM PROGRAM FOR RESEARCH. THE SOMALIS MAY LET THE PROGRAM GRIND TO A HALT IF IT STOPS AFTER ONLY SIX YEARS.
- 2. CROP SELECTION - MISSION REMAINS CONCERNED THAT OIL SEED CROPS ARE NOT GIVEN MORE SIGNIFICANT TREATMENT. THEY APPEAR TO OFFER CONSIDERABLE PROMISE FOR EXPORT SUBSTITUTION.
- 3. COORDINATION - NEED FOR CLOSE COORDINATION WITH OTHER DONORS IN THE SHEBELLE REHABILITATION PROJECT.

WE EXPECT WE WILL GET A CABLE OUT BY DECEMBER 2.
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