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FY 1985



Somalia

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Washington, D.C. 20523

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FY 1985 ANNUAL BUDGET SUBMISSION^{Room 1}

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USAID/SOMALIA Action Plan

FY 1984 - 1985

This plan is presented simultaneously with the CDSS. Therefore, the plan presumes approval the CDSS strategy as developed by the Mission.

USAID/Somalia has proposed a three prong strategy in the FY 1985 CDSS. The strategy goals are to:

- In the near term, stabilize the economy so that the balance of payment position is favorable; the budget deficit is reduced, and inflation brought under control;
- In the medium term, undertake structural adjustments within the economy to achieve economic growth; and
- In the longer term, improve the quality of life for the people of Somalia.

A - Towards the near term goal, to improve the balance of payment position and decrease the budget deficit of the Government, USAID proposes to utilize the IMF program as the forum for discussions with the Government and as a determinant of AID's support on the macro-economic front. USAID will utilize program assistance through the CIP and P.L. 480 Title I/III as the primary mechanisms for supporting the stabilization program.

USAID will use the agreements for the CIP and P.L. 480 Title I programs, with their specific provisions, to set the stage for influencing Government policy. These agreements will be used to open the dialogue and to provide leverage through local currency allocations. In negotiating the FY 1984 and FY 1985 P.L. 480 Title I and CIP agreements USAID will emphasize the following policy concerns:

- agricultural price policy which lead to market equilibrium pricing;
- interest rate policy to encourage rates which reflect the real cost of capital;
- public sector employment and wage policies which provide performance incentives while holding line on a total wage bill;
- policies affecting public enterprise which encourage divestiture of inappropriate public enterprises;
- policies affecting private sector which encourage private entrepreneurs to move into areas previously monopolized by Government and to increase the activities of small business; and
- policies affecting tax and customs to encourage an equitable and appropriate tax systems.

Of the above policy areas, USAID will concentrate its dialogue initially on policies affecting agricultural price, interest rate, and public enterprise.

An evaluation of USAID's non-project assistance is scheduled for FY 1984. Both, the CIP and the P.L. 480 Title I programs will be examined to determine its impact on the economy, and to assess the effectiveness of the generated local currency.

The Mission also intends to undertake additional studies on specific concerns in the macro-economic sector. Of particular concern, regarding the balance of payments situation, is the question of how to attract the remittances from workers in the Gulf States. Analysis of this issue will be undertaken as part of a wider migration study, in the human resources sector, and ultimately as a separate study if its own. The Mission also will undertake a "GSDR portfolio review" of selected public sector enterprises leading to recommendations on divestiture, joint venture, or liquidation of parastatals. The objective of this study will be to reduce pressures on the national budget by weeding out unprofitable public enterprises.

- B - The medium-term structural adjustment program is designed to get the economy into a self-sustaining growth mode. This initiative is supported by all the donors active in Somalia and coordinated by the Consultative Group and the local donor's representatives. The objectives under this program are to:
- maintain a growth rate of 2.5% per annum in the per capita GNP;
 - increase agricultural production by 5% per annum.
 - maintain incremental increases in agricultural exports; and
 - develop improved Government capacity for planning and implementation.

The first of these objectives is the essence of the structural adjustment program and, in order to accomplish it, the private sector will be required to make a major contribution. Each of the donors in Somalia is developing programs to contribute to this effort. The IBRD is expected to initiate a structural adjustment loan to provide the core of the effort. AID, through the CIP, has begun to provide support to the private sector by making available the foreign currency for essential imports. The trend over the past year is for increasing proportions of the imports to be done through the private sector and this approach will be continued.

Several studies are planned in FY 1984 to address remaining questions concerning economic growth. Among these are: migration and the repatriation of foreign earnings, the dynamics of the extended family economic system, and export promotion inducements.

In order to increase food production, USAID's strategy is to expand irrigated production which offers some insurance against drought. The first step in the irrigated sub-sector will be to assist in planning studies for the rehabilitation of existing schemes along the Shebelle and Juba rivers, and the development of the Juba River Valley. Next, we will help to analyze and initiate investments

in small to medium sized schemes along the Juba river in conjunction with the Juba River Development scheme. In this connection, the Irrigation Development and Rehabilitation project (649-0129) is scheduled to start in FY 1985. This project will be managed by the Department of Land and Water Use of the Ministry of Agriculture. The agricultural research project, Production Systems Planning and Research (649-0126), will build on the research strategy being developed under the Agricultural Delivery Systems and Bay Region Development project, and is likely to focus on adaptive research in both dryland and irrigated crops. The Production Systems Planning and Research project will be established in the Agricultural Research Institute of the Ministry of Agriculture, in cooperation with the appropriate international research centers, most likely, ICRISA and IITA. Particular emphasis would be given to complementing on-farm research done under the on-going agriculture sector projects.

The forestry program begun with refugee financing is an important part of the strategy during the structural adjustment period. Forestry resources are closely linked to the agricultural and livestock activities because of the use of trees as browse for the animal population and for soil stabilization in dry land farming areas. Forestry is also important to the overall macro-economic situation because fuelwood is a primary energy source in Somalia and energy has been a large drag on the foreign exchange resources. The data generated under in the current fuelwood program will provide the base for new programs designed to utilize this scarce resource to the maximum. The CDA-Forestry II project (649-0128) is scheduled to start in FY 1985.

The food production program will be complemented by a series of projects aimed at maintaining current agricultural exports. The Livestock Marketing project (649-0109) will deal with several constraints in the livestock marketing system (holding areas, fodder availability, market information, shipping, etc.) The project will provide assistance to both the public and the private sectors. A major task during project design (early FY 1984) will be to determine and define the roles of the public and private sectors; and to identify appropriate mechanisms for channeling required funds to the private sector with minimal public sector involvement. The Kismayo Port Rehabilitation project (649-0114) will assure a continuing export outlet for the large livestock exports from the southern portions of the country. The construction phase of the project is scheduled to start early FY 1984.

The studies to be undertaken in FYs 1984 and 1985 relating to agricultural production include: the development of the agricultural research strategy, analysis of the labor shortage phenomenon, an examination of export crops alternatives, and technical appraisals of the Shebelli and Juba Valleys.

- C - To improve the quality of life, the first objective is to help increase per capita income by 2.5 per cent per annum. USAID intends to undertake significant micro-level studies to define the dynamics involved in the economic system and to use the results of these studies to direct the current projects into the areas of equity. A continuing focus will be on more precisely defining spheres of economic control and decision making of women and the status and needs of the growing number of women-headed households. We do not anticipate undertaking any programs with the specific

purpose of promoting equity, beyond the refugee rehabilitation projects which are already underway.

USAID's approach to refugees is to direct the thinking of the Government and the other donors to a longer term solution, repatriation, or, now that the Government has announced that those refugees that wish to stay may continue to stay in Somalia, settlement.

USAID's refugee assistance efforts will be aimed at three policy objectives:

- to assure that the "maintenance operations" for refugees in the camps continues to be adequately managed;
- to provide greater opportunities in and around the camps for productive employment;
- to assist the Government in planning and implementing a refugee settlement program.

In the human development sector, USAID intends to continue with a "surgical" approach where the AID interventions are carefully targeted as demonstrations of innovative approaches. This approach was used very successfully in the Rural Health Delivery projects where, despite slow implementation progress, the Government has adapted the ideas of preventive medicine as their own and is directing other donor, and their own resources into the AID model. We intend to serve this catalytic role in other human development efforts.

In the health sector we have two overall objectives: to raise life expectancy, and to decrease child mortality. The focus in the health sector is on changing the current curative orientation of health services to a preventative approach. USAID also intends to influence the Government in considering utilizing the private sector to provide some of the health services, particularly provision of pharmaceuticals and in the delivery of health services at the village level through commercial pharmacy and locally paid health workers.

The on-going Rural Health Delivery project will be evaluated in FY 1984. The evaluation will help Mission management to determine project status re purpose and objectives and verify that effective action was taken to correct deficiencies encountered in the FY 1983 evaluation.

USAID plans to initiate a family planning project in FY 1984. The Family Health Services project (649-0130) will strengthen the institutions responsible for the family planning program, finance technical assistance and technical studies and provide commodity support for the program. To help the sector level dialogue and the management of the new project a population officer position will be established in FY 1984.

In the human resources development sector the primary emphasis will be on appropriate manpower development rather than the formal education which is already supported by several other donors. We anticipate focussing on management training to provide support of both the private and public sectors.

The major human resources initiative will be the Rural Development Management project (649-0119) which will focus on providing management training at selected levels in the private and public sectors to fill the need for improved management. The project will start in FY 1984. The S&T HRD assessment, scheduled for June 1983, will enable the Mission to clarify our involvement in this sector.

FY 1985 ANNUAL BUDGET SUBMISSION
 TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

COUNTRY/OFFICE USAID/SOMALIA

		FY 1983	----FY 1984----	FY 1985	-----PLANNING PERIOD-----				
		ESTIMATE	CP ESTIMATE	AAPL	1986	1987	1988	1989	

AGRICULTURE, RURAL DEVELOPMENT									
& NUTRITION	TOTAL	12730	12669	13000	17500	19500	20000	24000	27000
	GRANTS	12730	12669	13000	17500	19500	20000	24000	27000
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----
POPULATION	TOTAL	-----	-----	1600	1000	1000	1000	-----	1000
	GRANTS	-----	-----	1600	1000	1000	1000	-----	1000
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----
(CENT.PROC.COMMOD.)		-----	-----	(640)	(400)	(400)	(400)	(--)	(400)
HEALTH	TOTAL	3020	4430	3782	-----	-----	3000	3000	2000
	GRANTS	3020	4430	3782	-----	-----	3000	3000	2000
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----
EDUCATION	TOTAL	-----	2501	1250	2000	2000	2000	2000	1000
	GRANTS	-----	2501	1250	2000	2000	2000	2000	1000
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----
SEL.DEV.ACT.	TOTAL	-----	-----	-----	1500	2500	1000	-----	-----
	GRANTS	-----	-----	-----	1500	2500	1000	-----	-----
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----
FUNCTIONAL SUB	TOTAL	15750	19600	19632	22000	25000	27000	29000	31000
	GRANTS	15750	19600	19632	22000	25000	27000	29000	31000
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----
(DISASTER)	TOTAL	-----	-----	-----	-----	-----	-----	-----	-----
	GRANTS	-----	-----	-----	-----	-----	-----	-----	-----
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----
DA ACCOUNTS	TOTAL	15750	19600	19632	22000	25000	27000	29000	31000
	GRANTS	15750	19600	19632	22000	25000	27000	29000	31000
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----
(OF WHICH PVO'S)		(---)	(---)	(---)	(---)	(3750)	(4000)	(4500)	(4500)
ESF	TOTAL	21000	35000	35000	35000	20000	15000	10000	10000
	GRANTS	21000	35000	35000	35000	20000	15000	10000	10000
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----
DA AND ESF	TOTAL	36750	54600	54632	57000	45000	42000	39000	41000
	GRANTS	36750	54600	54632	57000	45000	42000	39000	41000
	LOANS	-----	-----	-----	-----	-----	-----	-----	-----

PL 480 TITLE I		(15000)	(15000)	(16000)	(16000)	(16000)	(13000)	(10000)	(10000)
(TITLE III)		(-----)	(-----)	(-----)	(16000)	(16000)	(13000)	(10000)	(10000)
PL 480 TITLE II		(6608)	(1791)	(5000)	(4000)	(-----)	(-----)	(-----)	(-----)
HOUSING GUARANTIES		(-----)	(-----)	(-----)	(-----)	(-----)	(-----)	(-----)	(-----)

TOTAL PERSONNEL		44	35	35	35	35	35	35	35
USDH WORKYEARS		22	24	24	24	24	24	24	24
FNDH WORKYEARS		22	9	9	9	9	9	9	9

TABLE I - NARRATIVE

FY 1985 - 1989 Planning Period

All planned DA and ESF programs for Somalia are grants. There are no bilateral projects with LOPC less than \$2.0 million. Five DA projects received a funding increment in FY 1983. Of these, four projects now are fully funded and one will receive its last funding increment in FY 1984. Thus, USAID/Somalia enters FY 1984 with a \$3.8 million mortgage. This mortgage represents 4.2% of the authorized DA portfolio.

Considering that the first-generation DA projects in Somalia have been "almost" fully funded (95.8%) in FY 1983, and will be fully funded by FY 1984; and, further that the projects in our current DA portfolio will be 65 per cent disbursed at the end of FY 1983, USAID now plans to start its second-generation DA projects in FY 1984 and FY 1985.

Five new DA projects will be designed for FY 1984 start up. The combined proposed LOPC for these projects is \$42.3 million. Of this amount, 37% (\$15.8 million) will be obligated in FY 1984. In addition, three new DA projects are proposed for FY 1985 start up. The combined LOPC of the FY 1985 activities totals \$50.5 million. Of this amount, \$11.5 million (23%) will be funded in FY 1985. At the end of FY 1985 the mortgage will be \$56.0 million (two and a half times the FY 1985 DA level and three and a half times the FY 1983 DA level). In this connection, it must be noted that one activity, among the three scheduled for FY 1985 start up, has a LOPC of \$35.0 million. This single activity -- Irrigation Development and Rehabilitation -- is a major effort to support agricultural production in Somalia and it will be designed to be funded through separate self-sustaining elements. Thus, each element funded would add to the irrigation infrastructure independent from future year funds. Through this approach we expect to reduce, if not eliminate, mortgage pressures on future year funding.

In summary, the second generation of DA projects in the USAID/Somalia portfolio will commence in FYs 1984-1985. These projects have a combined LOPC of \$93.8 million, of which 40.3% will be funded in FYs 1984-85. Thus, future year mortgage is reduced to \$56.0 millions (or 59.7% of LOPC). The mortgage of future year funds spreads through FY 1988, which -- with limited additional new starts -- poses no real problem. Specially when, as noted above, over 50% of the mortgage stems from one single activity -- Irrigation Development and Rehabilitation project.

Under the ESF category, we propose the start of the Kismayo Port Rehabilitation project for FY 1984, and the final contribution to the project in FY 1985. We are aware that normally a construction project, such as the Kismayo port, should be fully funded in one year. However, given the limited amount of ESF and the importance of the Commodity Import Program for the development of Somalia's private sector, we are proposing split funding for the Kismayo project. Thus no mortgage beyond the FY 85 budget year is anticipated for the Kismayo project or ESF.

The success of implementing the FY 1983 Commodity Import Program, as well as its importance in support of the IMF stabilization program and U.S. policy dialogue efforts, supports our request for an increased ESF level for the next several years. The CIP has, inter alia, started to revitalize the private sector in Somalia, specifically the agricultural and agroindustrial sub-sectors. Should the Kismayo activity not be funded in FY 1984, we would then request that the total ESF budget for FY 1984 and FY 1985 be allocated through the CIP program.

We have shown, under the Title II rubric, an indicative figure of the past and anticipated assistance -- through WFP -- to support the refugee relief effort in Somalia. This was done in order to provide a "total picture" of U.S. assistance to Somalia.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1983 to FY 1985 (\$ thousands)

Country/Office USAID/SOMALIA

<u>APPROPRIATION ACCOUNT</u>		<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
<u>Agriculture, Rural Development and Nutrition</u>		<u>12,730</u>	<u>13,000</u>	<u>17,500</u>
649-0104 Comprehensive Groundwater Dev.	G	3,043	----	----
649-0108 Central Rangelands Development	G	4,264	----	----
649-0109 Livestock Marketing	G	-----	4,000	2,000
649-0112 Agricultural Delivery Systems	G	3,000	-----	-----
649-0113 Bay Region Development	G	2,423	-----	-----
649-0126 Production Systems. Plng. & Res.	G	-----	6,000	3,000
649-0127 Groundwater Development II	G	-----	3,000	2,500
649-0128 CDA - Forestry II	G	-----	-----	5,000
649-0129 Irrigation Development & Rehab.	G	-----	-----	5,000
<u>Population</u>		-----	<u>1,600</u>	<u>1,000</u>
649-0131 Family Health Services	G	-----	1,600	1,000
<u>Health</u>		<u>3,020</u>	<u>3,782</u>	-----
649-0102 Rural Health Delivery	G	3,020	3,782	-----
<u>Education and Human Resources</u>		-----	<u>1,250</u>	<u>2,000</u>
649-0119 Rural Development Management	G	-----	1,250	2,000
<u>Selected Development Activities</u>		-----	-----	<u>1,500</u>
649-0124 Energy Management & Planning	G	-----	-----	1,500
 TOTAL ALL DA APPROPRIATION ACCOUNTS		<u>15,750</u>	<u>19,632</u>	<u>22,000</u>
<u>Economic Support Fund</u>		<u>21,000</u>	<u>35,000</u>	<u>35,000</u>
649-0114 kismayo Port Rehabilitation	G	-----	13,000	15,000
649-0120 Commodity Import Program II	G	21,000	-----	-----
649-0125 Commodity Import Program III	G	-----	22,000	-----
649-0130 Commodity Import Program IV	G	-----	-----	20,000
 TOTAL DA AND ESF		<u>36,750</u> =====	<u>54,632</u> =====	<u>57,000</u> =====

PROJECT NUMBER AND TITLE	OBLIG G ---DATE---	INIT	FIN	AUTH	PLAN	TOTAL COST-	ESTIMATED U.S. DOLLAR COST (\$000)				FY 89	ITEM			
							OBLIG	EXPEND-	OBLIG-	EXPEND-			FY 85	FUNDED	FY 86
							THRU	THRU	THRU	THRU	THRU				
							FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88		
							LINE	LINE	LINE	LINE	LINE	LINE	LINE		
							ITEMS	ITEMS	ITEMS	ITEMS	ITEMS	ITEMS	ITEMS		
							THRU	THRU	THRU	THRU	THRU	THRU	THRU		
							3/84	3/84	3/84	3/84	3/84	3/84	3/84		
							9/85	9/85	9/85	9/85	9/85	9/85	9/85		
							9/86	9/86	9/86	9/86	9/86	9/86	9/86		
							3/89	3/89	3/89	3/89	3/89	3/89	3/89		
							9/86	9/86	9/86	9/86	9/86	9/86	9/86		
							3/87	3/87	3/87	3/87	3/87	3/87	3/87		
							2000	2000	2000	2000	2000	2000	2000		
							2000	2000	2000	2000	2000	2000	2000		
							3000	3000	3000	3000	3000	3000	3000		
							3000	3000	3000	3000	3000	3000	3000		
							2000	2000	2000	2000	2000	2000	2000		
							2000	2000	2000	2000	2000	2000	2000		
							500	500	500	500	500	500	500		
							2500	2500	2500	2500	2500	2500	2500		
							3000	3000	3000	3000	3000	3000	3000		
							1000	1000	1000	1000	1000	1000	1000		
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION.															
649-0101	AGRICULTURAL EXTENSION TRAINING AND RESEARCH						SUBCAT: FNE	TECHNICAL CODE: 070							
G 78	79	5050	5050				1613	950	663	3/84					
649-0104	COMPREHENSIVE GROUNDWATER DEVELOPMENT						SUBCAT: FND	TECHNICAL CODE: 060							
G 79	83	6444	6444				3401	810	2900	9/85					
649-0108	CENTRAL RANGELANDS DEVELOPMENT						SUBCAT: FNC	TECHNICAL CODE: 090							
G 79	83	14944	14944				8853	4264	2100	9/86					
649-0109	LIVESTOCK MARKETING						SUBCAT: FMS	TECHNICAL CODE: 140							
G 84	85*	6000	6000					4000	1800	2000	3/89				
649-0112	AGRICULTURAL DELIVERY SYSTEMS						SUBCAT: FNE	TECHNICAL CODE: 010							
G 79	83	7752	10752				5970	3000	2200	9/86					
649-0113	BAY REGION DEVELOPMENT						SUBCAT: FNE	TECHNICAL CODE: 090							
G 80	83	11171	11171				7500	2423	2600	9/87					
649-0126	PRODUCTION SYSTEMS PLANNING AND RESEARCH						SUBCAT: FNC	TECHNICAL CODE: 960							
G 84	88	14000	14000					6000	2000	3000	2000				
649-0127	GROUNDWATER DEVELOPMENT II						SUBCAT: FND	TECHNICAL CODE: 060							
G 84	87	8500	8500					3000	500	2500	2000	1000			

PROJECT NUMBER AND TITLE	OBLIG DATE	INIT	FIN	AUTH	TOTAL COST- PLAN	ESTIMATED U.S. DOLLAR COST (\$000)		FY 85 APPL	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG	ITEM NO
						1983	1984						
	THRU FY 82	PIPE LINE	OBLIG- TIONS	EXPEND- ITURES		12/87	1000						
POPULATION													
649-0130 FAMILY HEALTH SERVICES													
	G 84*	87*			4600		1600	750	1000	1000	1000		
SUBCAT: PNIL TECHNICAL CODE: 490													
APPROPRIATION TOTAL (ALL GRANTS)													
4600													
EDUCATION AND HUMAN RESOURCES													
649-0119 RURAL DEVELOPMENT MANAGEMENT													
	G 84	88*			9250		1250	650	2000	9/87	2000	2000	2000
SUBCAT: EHMA TECHNICAL CODE: 050													
APPROPRIATION TOTAL (ALL GRANTS)													
9250													
SELECTED DEVELOPMENT ACTIVITIES													
649-0124 ENERGY MANAGEMENT AND PLANNING													
	G 85	87			5000			1500	3/86	2500	1000		
SUBCAT: SDEG TECHNICAL CODE: 980													

PROJECT NUMBER AND TITLE	OBLIG L INJT	DATE	FIN AUTH	TOTAL COST- PLAN	OBLIG- THRU FY 82	PIPE- LINE	ESTIMATED U.S. DOLLAR COST (\$000)		FY 85 APPL	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG	ITEM NO
							FY 1983 OBLIG- TIONS	FY 1984 EXPEND- ITURES						
APPROPRIATION TOTAL (ALL GRANTS)														
				5000				1500	2500	1000				
ECONOMIC SUPPORT FUND														
649-0114 KISMAYO PORT REHABILITATION														
	G	82	85	1500	29500	1500	1500	13000	8500	15000	9/87			
649-0118 COMMODITY IMPORT PROGRAM														
	G	82	82	20000	18500	18500	18500							
649-0120 COMMODITY IMPORT PROGRAM II														
	G	83	83		21000				21000					
649-0125 COMMODITY IMPORT PROGRAM III														
	G	84	84		22000			22000						
649-0130 COMMODITY IMPORT PROGRAM IV														
	G	85	85		20000					20000				
APPROPRIATION TOTAL (ALL GRANTS)														
				21500	111000	20000	20000	35000	29500	35000				
PROGRAM TOTAL (ALL GRANTS)														
				88617	274967	70585	53008	36750	29915	54632	47163	57000	25000	18000

PROJECT NUMBER AND TITLE

PROJECT NUMBER AND TITLE	OBLIG G ---DATE---	OBLIG L INIT	FIN	AUTH	-TOTAL COST- PLAN	THRU FY 82	PIPE LINE	OBLIG- TIONS	EXPEND- ITURES	---FY 1984---	ESTIMATED U.S. DOLLAR COST (\$000)				ITEM NO
											FY 82	FY 83	FY 84	FY 85	
649-0122 CDA - FORESTRY					6000			6000	1500	2500				6/86	
649-0123 REFUGEE SELF - RELIANCE					6000			6000	1500	2700				6/86	
APPROPRIATION TOTAL (ALL GRANTS)					12000			12000	3000	5200					

MIGRATION AND REFUGEE ASSISTANCE

649-0122 CDA - FORESTRY

G 83 83 6000 6000 6000 6000 6000 1500 2500 6/86

649-0123 REFUGEE SELF - RELIANCE

G 83 83 6000 6000 6000 6000 6000 1500 2700 6/86

APPROPRIATION TOTAL
(ALL GRANTS)

12000 12000 3000 5200

FY 1985 ANNUAL BUDGET SUBMISSION
 Non-Bilateral Funded Activities

Country: SOMALIA

Project Number	Project Title	Date started	Terminal date	Responsible AID/W office	LOPC	Mission Priority	Total person-days per yr.
698-410.20	Artificial Insemination	1981	6/83	AFR/RA	440	High	40
698-410.23	Expanded Program for Immunization	1980	9/83	AFR/RA	200	Medium	30
698-410.36	Poultry Development	1981	11/83	AFR/RA	500	Medium	40
698-662-03	Family Health Initiatives	1980	9/84	AFR/RA	500	High	30
698-384.24	African Manpower Development	1979	9/83	AFR/RA	625	High	15
698-433.24	African Manpower Development II	1982	-	AFR/RA	840	High	15

Production Systems Planning and Research, 649-0126

Grant: ARDN
FY 1984: \$6.0 million
FY 1985: \$3.0 million
LOP: \$14.0 million

Purpose: To develop permanent Somali capability to: (1) produce and disseminate technological packages that can be used profitably by Somali farmers to increase food crop production on a sustained basis; and, (2) plan, monitor and quantify the performance of the agricultural sector and prepare realistic alternative policies to guide and support the evolution of the sector.

Background/Problem: The agricultural sector faces two significant constraints affecting its longer term growth potential -- the lack of a coordinated agricultural research program; and insufficient planning based on inadequate data. Somalia's agriculture is mainly rainfed and is subject to crop failures in two out of five years due to the semi-arid to arid conditions that characterize most of the country, and to inadequate, and generally rudimentary, technology. Even in the areas that are cultivated with controlled irrigation, representing seven percent of the total land area planted annually, yields are low even by Sub-Saharan standards. Rainfed farmers were, until very recently, almost totally neglected if not, penalized by Government. Virtually, no agricultural extension service existed. What little production-oriented research was undertaken, was concerned exclusively with irrigated production, and marketing of production inputs as well as production outputs was strictly controlled by Government.

In its attempt to achieve greater food security for the fast growing population (annual rate: 2.7 percent) the Somali Government favored irrigated agriculture and took over control of virtually all its production units.

The planning function of the Ministry has been handled in an off-handed manner. Data collection has been erratic and analysis superficial. With major efforts planned in "new lands" development in the Juba Valley, the Ministry must begin systematic data collection and analysis to direct development of the Juba Valley and in the rest of the country.

Response to the Problem: Consistent with AID's food and agricultural development policy-- to "enhance a country's ability to marshal its own human and financial resources for food and agricultural development; and "to support the identification, transfer and adaptation of existing appropriate technologies, as well as the carrying out of food and agricultural research and application of U.S. international, regional and national institutions." -- The Mission proposes this project to develop a permanent Somali agricultural research program and agricultural development planning capability.

Concerning research, the Mission, the Ministry of Agriculture, and the International Service for National Agricultural Research (ISNAR) will soon complete a national agricultural research strategy.

The proposed project would be established in the Agricultural Research Institute of the Ministry of Agriculture, in cooperation with the appropriate international research centers, most likely ICRISAT and IITA, and the support of other donors, to take the first steps in the implementation of the national research strategy. Specifically, it would fund the establishment, initial staffing and operation of a program in agricultural research.

In the area of planning, the project will undertake basic studies -- soils, environment and sociology -- for new lands development in the Juba Valley. These activities will be structured so as to provide training and experience for the Ministry to permit them to assume their appropriate role in the planning process.

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 planning and research system. More directly will be the benefit of improved nutrition and higher family income to small farmers.

Groundwater Development II, 649-0127

Grant: ARDN
FY 1984: \$3.0 million
FY 1985: \$2.5 million
LOP: \$8.5 million

Purpose: To develop an on going national water development program to provide potable and livestock water.

Background/Problem: In arid Somalia the provision of adequate food quality water to the population is one of the highest priorities. The population of 4.5 million is spread over 637,000 square kilometers. The 80% of the population who are rural inhabitants are widely dispersed resulting in low population densities.

Climatically, the country is divided into a Northwest zone, with a mediterranean climate and an annual precipitation of above 400 mm in certain areas; and a northern and central zone with arid and hot climate, and annual precipitation of up to 600 mm. Two rainy seasons prevail over much of the country, the long rains (March-April to June) and the short rains (September - October to December).

The temperature is fairly uniform throughout the year varying from 25° to 30°C. In this country of mostly low, erratic precipitation and high evapotranspiration, water supply is critical. There are only two relatively small rivers, the Juba and the Shebelle, crossing the southern portion of the country, with the rest of the country practically deprived of perennial surface water. Thus Groundwater is a very dependable water source in most to the country; surface water seasonal catchments are also important.

Response to the Problem: Consistent with AID policy objectives re water and sanitation -- "The availability of a minimum of 20-40 liters of relatively safe water per person per day is essential to achieve sustained health improvements in developing countries. " -- the Mission proposes the follow-on activity to project 649-0104 in response to Somalia's water and sanitation problems.

The project will construct 90 deep bore water wells which will provide dependable sources of water, at an acceptable distance from users, within accepted water quality standards. The wells will be managed through agreements between the local water committees and WDA. In areas where small diameter boreholes are not technically feasible, the project will explore the alternative solution of large diameter dug wells. The project will also construct some 40 surface water systems in those areas where groundwater is not available or is chemically unsuitable for consumption.

A system of data collection has been established by the project 649-0104. However, the project will continue the technical and socio-economic data collection with views of incorporating other GSDR agencies into the network.

The project will continue the training of pump maintenance crews and specific responsibilities will be established for surveillance and repair programs. Training of, WDA crews local repair crews and communities will be undertaken.

In addition, specialized training in water resources planning will be institutionalized within WDA. The WDA planning unit will be intergrated with the newly established monitoring and evaluation unit of the Ministry of Planning. Finally, assistance, will be provided in the formulation of national water legislation.

Target Group: The principal beneficiaries of the project will be the agromadic population of Somalia. The project will make water available in the areas of the greatest need where, frequently, people and their livestock have to travel for many miles to find a water source. The project also will improve water used for human consumption. Finally, the project will reduce women's workload -- some 70% of the women's daily labor is spent on solving water-related problems.

CDA Forestry Phase II, 649-0128

Grant: ARDN
FY 1985: \$5.0 million
LOP: \$11.5 million

Purpose: To improve the quantity and quality of forestry and fuelwood planting in Somalia in order to: a) provide a renewable source of energy for household and commercial consumption; b) provide for stabilization of soil and protection of this basic resources; and c) provide income for the poor, through production and marketing of wood and non-wood products.

Problem: Deforestation, overgrazing and desertification of fuelwood and fodder supplies in Somalia have led to it being classified by the FAO as a country with "acute scarcity conditions". A recent IBRD forestry assessment suggests that approximately 40-50,000 hectares/year needs to be planted to meet projected fuelwood, building and browse needs through the end of this century. Through 1981, only approximately 300 hectares/year had been planted by the government and private citizens. The Forestry Department of the parastatal National Range Agency was (and is) staffed by only two Bachelor degree level foresters with other positions held by experienced vocational school graduates and expatriates. Government policy through 1981 geared towards protection and restriction of use of forest products.

In 1981, under the auspices of Cooperation for Development in Africa (CDA) and with the U.S. designated as "lead donor", Somalia began an accelerated program in forestry and fuelwood production. By 1985, approximately 10,000 hectares will be planted for fuelwood (primarily in and near refugee camps and urban areas), windbreaks, shelterbelts and dune stabilization activities. One post-intermediate school and one "integrated" technical secondary school will be graduated approximately 30 forestry technicians each year. Technical and socio-economic data will have been collected to inform policy makers about possible incentives and programs to encourage private -- including cooperative and community -- plantations. Trials of appropriate species and technology will begin to be available, thus permitting a more extensive application to fuelwood, fodder, and soil stabilization.

These accomplishments are impressive in relative terms, but more support is needed to help this small but solid foundation expand to meet Somalia's needs.

Addressing the Problem: Primary guidance for project design will be based on the proposed May, 1983 A.I.D. Policy Paper on National Resources and Environment. Data collection efforts and experience gained over the next year will provide additional information on

which to base plans. Probable areas of support would include:

- the development of a national system of regional and district level multi-purpose nurseries, capable of producing seedling stock and providing extension services to support private, community and governmental production activities;
- provision of incentives (policy, credit, food for work, technical assistance) for private individuals, cooperatives and communities to undertake fuelwood plantation and forest-related cash-cropping activities;
- provision of in-country and international training to meet personnel needs for the above; and
- establishment of an improved system of research and monitoring to support the above.

The National Range Agency would be the lead implementing agency, with participation of related Departments within the NRA as well as other Ministries, e.g. Agriculture and Local Government. Consistent with AID policy, a continuing involvement of U.S. based Private and Voluntary Organizations is envisioned.

Target Group: Studies underway indicate an active private sector engaged in plantation activities producing building poles as well as marketing of fuelwood, charcoal, and other wood products. It appears, based on initial work, that women are quite active in all aspects of fuelwood and fodder production and marketing. Primary beneficiaries would most likely be persons in peri-urban areas, including refugee camps, and settled communities, i.e. approximately 30-40% of the population. Nomads would very likely not participate in production and marketing activities, but could indirectly benefit from access to improved fodder and graze for their animals.

Of the FY 85 obligation of 5 million, 100% will be directed towards improvement of the environment, of which approximately 25% will be managed by PVO's. Of the total, 25% is expected to be directly spent on renewable energy concerns, with half of that through the private sector. Of the initial obligation, approximately 5 percent is directly attributable to women in development concerns.

Irrigation Development and Rehabilitation, 649-0129

Grant: ARDN
FY 1985: \$5.0 million
LOP: \$35.0 million

Purpose: To increase the land area that is annually cultivated with controlled irrigation and thereby food crop production.

Background/Problem: Somalia's agriculture is mainly rainfed and subject to crop failures in two out of five years, due to the semi-arid to arid climatic conditions. A population growth rate estimated at 2.7 percent annually makes it imperative that whatever potentials exist for economically feasible irrigated food crop production be developed. Presently, less than one percent of the arable land is cultivated and only seven percent of the cultivated area is under controlled irrigation.

In the Shebelli river valley, where much of the land is suitable for irrigation, existing irrigation infrastructure has been developed in a haphazard fashion and is presently in a state of disrepair. Water management is also quite inefficient. The Juba River, with an annual flow of some 6000 million cubic meters, represents [if harnessed] an immense potential for irrigation, however reliable information, on the suitability of the valley soils for irrigation, is unavailable.

Under the current multi-donor project (Bay Region Agricultural Development Project 649-0113) AID is providing assistance to the Ministry of Agriculture in the development and extension of food crop production packages that would increase productivity in rainfed agriculture and expand the area under cultivation.

Response to the Problem: Consistent with AID's food and agricultural policy objectives -- "increased food availability, through increased agricultural production, with an emphasis on increasing and sustaining the productivity, incomes and market participation of small farmers, with special attention to food production" -- the Mission proposes this irrigation project to increase the land area available for cultivation. The proposed project will be established in the Department of Land and Water Use of the Ministry of Agriculture. It would provide for (1) a comprehensive soil survey and classification survey to ascertain more accurately the land areas most suitable for irrigation in both the Juba and the Shebelli river valleys; (2) an inventory of the existing irrigation infrastructure in the Shebelli river valley, and an appraisal of the need and priorities for rehabilitation of that infrastructure; (3) the rehabilitation of selected existing irrigation systems and/or the construction of new ones; (4) the reorganization of the Project Implementing Agency and the development of its technical and managerial capability to operate and maintain irrigation systems and ensure that on-farm irrigation water is efficiently used. The project will finance the importation of equipment and other commodities needed for rehabilitation, construction, and maintenance of the irrigation schemes. It is estimated that about 20 Somali technicians and

managers would receive long-term specialized training abroad during the life of the project at an approximate cost of \$900,000.

Target Group: The nation as a whole will benefit indirectly from the increased food production and the savings of foreign exchange resulting therefrom. More directly will be the benefits of increased irrigated land available, and higher family income, to small farmers in the Juba and Shebelli valleys.

COMMODITY IMPORT PROGRAM IV 649-0130

Grant: ESF
FY 1985: \$20.0 million
LOP: \$20.0 million

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 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 innappropriate 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 requirements of feeding and supporting the vast number of refugees who fled to Somalia as a result of the conflict with Ethiopia and drought. The result was a balance of payments crisis of such severe proportions that at one point foreign exchange reserves fell to two weeks worth of imports.

In 1980, in consultation with the IMF, Somalia took some tentative steps to deal with its economic problems. The principal aims of this preliminary IMF program were to reduce inflationary pressures, to improve the balance of payments and foreign exchange reserve position, and, to restrict government expenditures and borrowings.

In May 1981, the government, again in concert with the IMF, embarked upon an even more ambitious stabilization exercise. Its major features included agreement to abolish the franco valuta system, the establishment of a two tier exchange rate system, the imposition of quantitative controls on government borrowing and expenditures, and increased prices for agricultural products.

In July 1982, the government announced a new package of policy reforms. First, the two tier exchange system was abolished and replaced by a unitary exchange rate of Somali Shillings 15.055 per U.S. dollar. This represented a devaluation of 142% against the first tier, and 21% against the second tier. The structure of interest rates also was revised upward with the result that, though interest rates remain negative in real terms, the situation is considerably improved.

Somalia's economy still faces considerable problems. Critical imports remain in short supply. Domestic resources at the disposal of the government are scarce and inappropriately allocated. Inflation, while less a problem than in the past, remains high. Shortages of skilled manpower continue to constrain the capacity of the government to cope with the problems it faces. The confidence of the private sector in the permanency of the 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 the fall of 1983, and provide a forum for focusing attention on the additional policy reforms required to stabilize the Somali economy. The anticipated reforms will require time to work their way through the system and for confidence to be restored.

In addition to the economic policy reforms at the micro and macro level, the GSDR also altered its position vis a vis the role of the private sector in Somalia's economic development. Indicators to this effect include, inter alia, allowing private leasing of land, increased distribution of agricultural inputs to private farmers, reduced role of government agencies and parastatals, the abolishment of certain parastatals, and encouraging foreign and domestic investment. Most recently, the government approved, in principle, the establishment of private banks in Somalia.

The Commodity Import Program will support balance of payments during a critical policy transition period.

Addressing the Problem: Consistent with AID policy on approaches to policy dialogue and the use of ESF -- to provide "short-term stabilization as well as longer term developmental results"--, and, fostering the development of the private sector -- "private enterprise is the engine that makes growth occur most quickly" -- the Mission proposes continuation of the Commodity Import Program in FY 1985. As with the previous CIPs, the CIP IV will provide foreign exchange 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 and water delivery systems, as well as light industry units capable of manufacturing agricultural inputs, processing output and producing simple consumption goods. Approximately 80 percent of the resources provided under the CIP IV will be made available to private sector importers and entrepreneurs.

The CIP grant also will 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 and 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 economic reform 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 live-stock producers and growers of export crops will receive increase 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.

Family Health Services Project, (649-0131)

Grant: Population
FY 1984: \$1.6 million
FY 1985: \$1.0 million
LOP: \$4.6 million

Purpose: To improve the reproductive health of women and health of children by providing the institutional capability for family planning information and services to enable couples to achieve the desired number and spacing by their children; and to increase public awareness of the impact of rapid population growth on sustained economic development.

Background/Problem: Somalia has demographic profile that is archetypical for a developing country. The population growth rate is 2.6 percent, which gives to population "doubling time" of 26 years. The Crude Birth Rate is 46 and total fertility rate is 6.9. Mortality is concomitantly high, especially among children. Probably one-third of all Somali children die before reaching the age of five. The population is young, with 45% under 15 years of age. Health problems abound, health status is poor, and health services are concentrated in the capital and other major urban areas.

A national population and family planning program now is being formulated by the Government. The Government recognizes the health benefits of child spacing and promotes the integration of child spacing into the Ministry of Health's Maternal and Child Health program. Family planning activities, of any kind, began only in 1979, with an AID/W-grantee training physicians in reproductive health. Africa Bureau regionally-funded project entitled Family health Initiatives (698-0662) began in September 1981, for three years. This project will improve and expand maternal and child health services to include family planning as an integral part of primary health care. The proposed bilateral project will build on the accomplishment of previous activities.

Response to the Problem: Consistent with AID Policy objectives -- "to enhance the freedom on individuals in LDCs to choose voluntarily the number and spacing of their children; and to encourage population growth consistent with the growth of economic resources and productivity." -- The Mission proposes the following response to Somalia's population/health problem. While a specific project outline will be identified after completion of the PID and PP, the general thrust of the project will be to strengthen and expand the delivery of integrated family services and to increase awareness by policy makers and the general public of the impact of rapid population growth of sustained economic development.

Activities will include:

Training: physicians, nurses and other health personnel will be in trained in family planning service delivery: an MCH/FP Regional Training center will be established, educational campaigns and orientation courses also will be target toward community leaders, teachers, women youth, and religious leaders.

Services: Family Planning Services including infertility services will be made available at all MCH centers and Regional and special hospitals throughout the country.

Research and Evaluation: A new research and evaluation unit will be established by the Ministry of Health. Family health surveys, operations research studies, and other studies on reproductive biology and contraception will be financed and conducted.

Management and logistics: a management information system, to include a logistics and service statistics system, will be developed. The system also will include the provision of commodities to both government and non-governmental organizations. A pilot commercial retail sales program will be fully tested; the management capability of the sales program will be improved by organization management skills seminars and workshops.

The Ministry of Health will implement this project in close coordination with sub-project activities planned through the Ministry of Planning, the Ministry of Education, the Refugee health unit, and the Somali Democratic Womens Organization. A National Family Planning Corrdinating Board will be established. The Board will be composed of high ranking officers from each of those Ministries to establish population policy and family planning program guidelines and to coordinate all Family Health/Family Planning activities.

Target Group: The direct beneficiaries of this project will be at risk couples in need of family planning information and services. More indirectly, government and policy makers religious and community leaders also will benefit from this project by increased awareness of the important health benefits of family planning and the impact of rapid population growth on sustained economic development.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1985 PROPOSED PROGRAM RANKING					Country/Office USAID/SOMALIA	
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
					INCR	CUM
1	649-0130 Commodity Import Program IV	N	G	ESF	(25,000)	(25,000)
2	649-0114 Kismayo Port Rehabilitation	O	G	ESF	(15,000)	(15,000)
3	649-0126 Production Systems Planning & Research	O	G	ARDN	3,000	3,000
4	649-0119 Rural Development Management	O	G	HRD	2,000	5,000
5	649-0129 Irrigation Development & Rehabilitation	N	G	ARDN	5,000	10,000
6	P.L. 480 Title III	-	L	----	(16,000)	(16,000)
7	649-0127 Groundwater Development II	N	G	ARDN	2,500	12,500
8	649-1031 Family Health Services	O	G	POP	1,000	13,500
9	649-0128 CDA - Forestry II	N	G	ARDN	5,000	18,500
10	649-0124 Energy Management Planning	N	G	SDA	1,500	20,000
11	649-0109 Livestock Marketing	O	G	ARDN	2,000	22,000

Table V - Narrative

USAID Somalia considers the Commodity Import Program as the top priority activity. The ESF-financed CIP contributes to the CDSS major elements, namely economic stabilization, agricultural sector development, and expansion of the role of the private sector in the economy. The CIP supports directly the IMF's stabilization exercise, a multi-year fiscal and monetary reform effort needed to overcome the current economic crisis in Somalia. The CIP also finance imports which are critical to the support of the agricultural sector. Increased food crop production and improvement of 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. In addition, the Government is slowly liberalizing its policies to encourage private sector development. About eighty per cent of the resources provided under the CIP IV will be made available directly to private sector importers and entrepreneurs.

Three on-going projects are ranked second, third and fourth priorities -- Kismayo Port Rehabilitation (649-0114), Production Systems Planning and Research (649-0126) and Rural Development Management (649-0119). The second tranche of ESF funds for the Kismayo Port in FY 1985 will fully fund this activity which is scheduled to start in FY 1984. The port is crucial to increasing the export of agricultural products -- particularly bananas and livestock from the southern part of the country. The port also serves as an important transit point for imported inputs such as fertilizer. Secondly, the Production Systems Planning and Research project -- also an FY 1984 start -- will receive its second year funding in FY 1985. Through this project we expect to develop a much needed Somali capability to produce and disseminate technology packages that can be used profitably by farmers to increase crop production. The project also will allow the Ministry of Agriculture to undertake planning studies and to monitor and quantify the performance of the agricultural sector and prepare realistic policies to guide and support the development of the sector. Thirdly, the Rural Development Management project to begin in FY 1984, is scheduled for the second tranche of funds. The project aims to increase the quality and quantity to 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 sector. Two new starts -- plus P.L. 480 Title I (III) -- are ranked five, six and seven. The two new DA projects are Irrigation Development and Rehabilitation (649-0129) and Groundwater Development II (649-0127). Both activities address the critical water problem in arid Somalia. Through the irrigation project, the Mission proposes to increase the land area that is cultivate using controlled irrigation. The project -- a \$35.0 million effort -- will finance studies (soil survey, land classification survey and an inventory of the existing infrastructure); provide technical and managerial training for operating and maintenance of irrigation systems; and the rehabilitation and construction of irrigation systems. This last element, (including a CIP-type program for the private sector) will consist of independent and discrete schemes that would

not necessarily impose a burden on future year funding. The seventh activity is the follow-on project to Comprehensive Groundwater Development (649-0104). This project will be built on the accomplishment of its predecessor activity to develop an on-going national water development program to provide potable and livestock water.

The Family Health Services project, a FY 1984 start, will capitalize on recent policy pronouncements by the Government to improve the reproductive health of women and health of children. The project will provide the institutional capability for family planning information and services to enable couples to achieve the desired number and spacing of their children. This project has been ranked eight in our list of priorities for funding, we anticipate that this project will commence operations late FY 1984, this FY 1985 funding could be postponed -- should our FY 1985 level drop to \$12.5 million.

Similarly, we have ranked CDA - Forestry II (649-0128), Energy Management Planning (649-0124), and Export Marketing (649-0109) last in our funding priorities. Forestry and energy management projects are new starts for FY 1985. Although both activities are consistent with and in support of the CDSS's priorities, its start up could be delayed to FY 1986 if funds are not available.

USAID/Somalia Evaluation Plan

USAID/Somalia conducted a major evaluation of its DA portfolio during FY 1983. In sum, seven evaluations were completed, these are: Agricultural Extension and Research (649-0101); Kurtunwaare Settlement (649-0103); Artificial Insemination -- AIP -- (698-410.20); Agricultural Delivery Systems (649-0112); Comprehensive Groundwater Development (649-0104); Central Rangelands Development (649-0108); and Rural Health Delivery (649-0102). In addition, an impact evaluation of an irrigation project, funded during the '60s was conducted by PPC/Evaluation. The evaluations conducted during FY 1983 provided the Mission with additional information and insights to take positive action in adjusting the current portfolio to the conditions in Somalia.

In concert with this major Mission effort, four evaluations are planned for FY 1984. These evaluations include the P.L. 480 Title I Program, the Commodity Import Program, the Bay Region Development Project (649-0113), and the Rural Health Delivery Project (649-0102).

The objectives of the FY 1984 evaluations are:

- to determine the impact of USAID's non project assistance;
- to assess the effectiveness of the use of P.L. 480 Title I and CIP-generated local currency;
- to define progress and re-establish targets (due to delays on negotiating a HCC) of the Bay Region Development Project; and
- to verify that effective action was taken to correct deficiencies encountered in the 1983 Rural Health Delivery evaluation.

The P.L. 480 Title I program has been implemented in Somalia since the resumption of U.S. assistance in 1979. The evaluation will address the effectiveness of the P.L. 480 Title I program in support of the GSDR's plan for economic recovery. The evaluation will examine the current distribution system for the imported commodities, and most importantly, the use of P.L. 480 - generated counterpart funds in support of development projects and the GSDR's self-help measures. The major issue to be addressed during the proposed evaluation is the distribution of imported commodities through Government channels vs the private sector. Evaluation recommendations will be incorporated into future years' P.L. 480 Title I Agreements.

An impact evaluation of the Commodity Import Program in Somalia also is proposed for FY 1984. The CIP program started in FY 1982, however, its initial implementation took place in FY 1983. A second CIP is

anticipated for late FY 1983, with plans for continuation of the program in future years. The current CIP provides for the importation of equipment, spare parts, and other inputs for the agricultural and agro-industrial sectors. The bulk of CIP resources have been utilized by the Somali private sector. In addition, the CIP-generated local currency also is being used, in part, in support of the private sector. The local currency currently is being programmed to provide agricultural credit and credit to agro-industries through the Somali Development Bank. The evaluation will address, inter alia, the impact of the CIP on the Somali economy and its effects on policy dialogue and policy reforms. Special attention will be devoted to determine the CIP's impact on the revitalization of the Somali private sector.

The third activity scheduled for evaluation during FY 1984 is the Bay Region Development Project. The technical assistance contract -- a host country contract -- was signed in March 1983, almost two years from project inception. The delays were caused by problems identifying a suitable contractor and complications during contract negotiations. The evaluation will measure progress towards project purpose and provide Mission management with the necessary information to extend the life of the project, if necessary.

The last evaluation in FY 1984 will be the Rural Health Delivery project. A major special evaluation was conducted during April 1983. A follow-up evaluation in FY 1984 will help Mission management to determine project status re purpose and objectives and verify that effective action was taken to correct deficiencies encountered in the FY 1983 evaluation. The evaluation will be crucial to determine the continuation of the project.

FY 1985

For FY 1985 USAID/Somalia has scheduled four evaluations. These evaluations are: CDA - Forestry (649-0122); Refugee Self-Reliance (649-0123); Comprehensive Groundwater Development (649-0104); and Central Rangelands Development (649-0108).

The objectives of the FY 1985 evaluations are:

- to determine the impact of project assistance to incorporate the refugees into Somalia's development efforts; and
- to assess the institution building capabilities created by projects 0104 and 0108.

Perhaps the most significant evaluations during the FY 1985 cycle are the CDA-Forestry and the Refugee Self Reliance projects. These two projects, funded under special refugee fund, are intended to integrate refugee assistance with Somalia's development efforts. The evaluations of these projects will provide information on the total effect of project strategies, project design, socio-economic, environmental, and institutional conditions. It must be mentioned that both activities are being implemented primarily through PVOs. Therefore, in addition

to the above information, the project evaluation will measure the effectiveness of the use of PVOs -- through cooperative agreements -- to implement the projects.

the Comprehensive Groundwater Project will be evaluated to measure the project's progress towards achievement of its purpose and goal. The evaluation will also appraise the Water Development Agency's effectiveness in accomplishing its implementation tasks. In addition, the evaluation will examine the Ministry of Minerals and Water Resources' effectiveness in gathering and utilizing data, and its effectiveness in rationally allocating the means to develop the water resources base.

The last evaluation scheduled for FY 1985 is the Central Rangelands Project evaluation. This is a regular evaluation which intends to review the work done by the project internal monitoring and evaluation units. The evaluators also will conduct some field work to verify the results and to collect data to prepare a summary report on project impact.

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start To Start To (Qtr)	Start To Start To (Qtr)	Start To Start To (Qtr)	Start To Start To (Qtr)				
P.L. 480 Title I Program	-	2	3	-	-	The evaluation of the P.L. 480 Title I program will address the effectiveness of the program in support of GSR's plan for economic recovery; the use of agricultural commodities provided; and the programming of the generated local currency in support of self-help measures.	OE	20	AID/W TDY 21 days
Commodity Import Program (ESF)	-	2	3	-	-	The CIP in Somalia provides for the importation of equipment, spare parts, and other inputs to the agricultural and the agro-industrial sectors, specially the private sector. The evaluation will address, inter alia, the impact of the CIP on policy reforms, private sector and overall economic growth.	OE	20	AID/W TDY 21 days REDSO/EA 14 days
649-0113 Bay Region Development (ARON)	3/83	3	4	-	-	PAOD = 09/85 USAID, in cooperation with IDA, ADF, and JFAD is implementing this \$40.1 million program. The project seeks to integrate livestock and agricultural production; and to improve the water supply systems in the Bay Region. The contracting for technical assistance was delayed for almost two years -- under a HCC. The contract was signed in March 1983. The evaluation will measure progress towards achievement of project purpose and provide Mission management with the necessary information to extend the project, if necessary.	Project	40	REDSO/EA 30 days
MISSION EVALUATION OFFICER: AKIM MARTINEZ-REBORAS, PROGRAM OFFICER (70 % time-evaluation)									

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE SOMALIA

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr)	To AID/W (Qtr)	Start (Qtr)	To AID/W (Qtr)				
649-0102 Rural Health Delivery (Health)	4/83	3	4	-	-	<p>PACD = 09/85 This project is to develop a system to deliver preventive and curative health services to an estimated 800,000 rural and nomad population. A major special evaluation was completed April 1983. A follow-on regular evaluation is scheduled to verify project's progress and implementation of evaluation recommendations.</p>	Project	40	AID/W 30 days
649-0122 ODA - Forestry (Refugee Fund)	--	--	--	2	3	<p>PACD = 06/86 This project assists the GSDR to undertake a larger volume of forestry and fuelwood planting programs as part of its overall social and economic development efforts. The evaluation will examine the sub-projects being implemented by U.S. PMOs in refugee camps and surrounding areas. In addition, NRA's capabilities/progress towards the management of the forestry program will be examined. The evaluation will derive information on the total effect of project strategies, project design, and resource inputs under different socio-economic, environmental, and institutional conditions.</p>	Project	40	REDSO/EA 15 days
649-0123 Refugee Self-Reliance (Refugee Fund)	--	--	--	2	3	<p>PACD = 06/86 This project is to strengthen GSDR planning, monitoring and evaluation capacity to manage and coordinate refugee self-reliance aid. The project will directly assist</p>	Project	40	REDSO/EA 25 days

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE SOMALIA

Project List (Project No. & Title)	Last Eval. Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr)	To AID/W (Qtr)	Start (Qtr)	To AID/W (Qtr)				
649-0104 Comprehensive Groundwater Dev. (ARDN)	5/83	--	--	3	4	<p>refugees and their Somali neighbors to enhance their productivity, economic livelihood and skills in agriculture, infrastructure improvements and training for self-support. The evaluation will provide information on the total effect of project strategies, project designs, and resource inputs under different socio-economic environmental and institutional conditions.</p> <p>PAOD = 09/84 This project helps the Ministry of Minerals and Water resources -- Water Development Agency -- in establishing a national water resources development plan. The regular evaluation will measure project progress towards achievement of purpose and goal. The evaluation team also will appraise MDA's effectiveness in gathering and utilizing data and the MNC effectiveness in rationally allocating the capability to develop the water resources base.</p>	Project	45	REDSO/EA 30 days
649-0108 Central Rangelands Dev. (ARDN)	5/83	--	--	2	3	<p>PAOD = 09/86 This multi-donor project assists the GSDR to consolidate and improve rangeland and livestock production; increase the income of the pastoralists, and establish pastoral communities to facilitate the provision of social services. The evaluation will review the work done by the internal monitoring and evaluation units, do field work for verification of results, and prepare summary reports of project impacts.</p>	Project	45	REDSO/EA 30 days

TABLE VIII - FY 1983

ORGANIZATION USAID/SOMALIA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,949.6		1,949.6	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	969.7		969.7	23.6
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	185.2		185.2	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	41.2		41.2	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	207.7		207.7	16
RETIREMENT - U.S.	U107	120	66.1		66.1	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	18.6		18.6	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	8.0		8.0	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	39.3		39.3	8
POST ASSIGNMENT - FREIGHT	U112	22	196.6		196.6	8
HOME LEAVE - TRAVEL	U113	212	67.2		67.2	15
HOME LEAVE - FREIGHT	U114	22	51.4		51.4	15
EDUCATION TRAVEL	U115	215	12.6		12.6	10
R AND R TRAVEL	U116	215	55.8		55.8	14
ALL OTHER CODE 215 TRAVEL	U117	215	30.2		30.2	43
<u>FOREIGN NATIONAL DH</u>	U200		78.7		78.7	XXXXX
BASIC PAY	U201	114	62.6		62.6	15
OVERTIME, HOLIDAY PAY	U202	115	8.1		8.1	1.8
ALL OTHER CODE 11 - FN	U203	119	2.0		2.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	4.2		4.2	XXXXX
BENEFITS FORMER FN PERS.	U205	13	1.8		1.8	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		251.0		251.0	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	233.0		233.0	4.0
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	18.0		18.0	1.0
ALL OTHER F.N. PSC COSTS	U305	255	0		0	XXXXX
<u>HOUSING</u>	U400		743.4		743.4	XXXXX
RENT	U401	235	350.0		350.0	27.5
UTILITIES	U402	235	160.4		160.4	XXXXX
RENOVATION AND MAINT.	U403	259	9.8		9.8	XXXXX
QUARTERS ALLOWANCE	U404	127	0		0	0
PURCHASES RES. FURN/EQUIP.	U405	311	46.5		46.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	14.3		14.3	XXXXX
SECURITY GUARD SERVICES	U407	254	160.4		160.4	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	0		0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0	XXXXX

ORGANIZATION USAID/SOMALIA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,499.4		1,499.4	XXXXX
RENT	U501	234	98.0		98.0	XXXXX
UTILITIES	U502	234	49.0		49.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	30.0		30.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	140.4		140.4	XXXXX
VEHICLES	U505	312	96.0		96.0	XXXXX
OTHER EQUIPMENT	U506	319	52.9		52.9	XXXXX
TRANSPORTATION/FREIGHT	U507	22	120.1		120.1	XXXXX
COMMUNICATIONS	U508	230	28.0		28.0	XXXXX
SECURITY GUARD SERVICES	U509	254	25.4		25.4	XXXXX
PRINTING	U510	24	2.0		2.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	0		0	0
SITE VISITS	U512	210	33.0		33.0	100
INFORMATION MEETINGS	U513	210	1.5		1.5	2
TRAINING ATTENDANCE	U514	210	57.9		57.9	12
CONFERENCE ATTENDANCE	U515	210	4.2		4.2	3
OTHER OPERATIONAL TRAVEL	U516	210	63.5		63.5	91
SUPPLIES AND MATERIALS	U517	26	106.0		106.0	XXXXX
FAAS	U518	257	325.0		325.0	XXXXX
CONSULTING SVCS - CONT.	U519	259	0		0	XXXXX
MGT./PROF. SVCS. - CONT.	U520	259	0		0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259	0		0	XXXXX
ALL OTHER CODE 25	U522	259	266.5		266.5	XXXXX
TOTAL O.E. BUDGET			4,522.1		4,522.1	XXXXX
RECONCILIATION			1,605.8		1,605.8	XXXXX
OPERATING ALLOWANCE REQUEST			2,916.3		2,916.3	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				1,450.0		
Exchange rate used (as of May 1, 1983)				15.108		
Salarey Increase				11.0%		
Price Increase				15.0%		

ORGANIZATION USAID/SOMALIA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,606.4		2,606.4	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,110.0		1,110.0	26.2
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	243.1		243.1	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	41.8		41.8	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	244.6		244.6	38
RETIREMENT - U.S.	U107	120	77.7		77.7	XXXXX
LIVING ALLOWANCES	U108	128	40.6		40.6	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	34.0		34.0	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	10.7		10.7	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	81.9		81.9	11
POST ASSIGNMENT - FREIGHT	U112	22	413.6		413.6	11
HOME LEAVE - TRAVEL	U113	212	68.6		68.6	11
HOME LEAVE - FREIGHT	U114	22	81.0		81.0	11
EDUCATION TRAVEL	U115	215	24.4		24.4	8
R AND R TRAVEL	U116	215	78.0		78.0	16
ALL OTHER CODE 215 TRAVEL	U117	215	56.4		56.4	64
<u>FOREIGN NATIONAL DH</u>	U200		75.9		75.9	XXXXX
BASIC PAY	U201	114	67.5		67.5	9
OVERTIME, HOLIDAY PAY	U202	115	3.4		3.4	0.5
ALL OTHER CODE 11 - FN	U203	119	2.0		2.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	1.0		1.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13	2.0		2.0	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		378.0		378.0	XXXXX
PASA TECHNICIANS	U301	258	0		0	0
U.S. PSC - SALARY/BENEFITS	U302	113	237.6		237.6	3.3
ALL OTHER U.S. PSC COSTS	U303	255	102.0		102.0	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	38.4		38.4	1
ALL OTHER F.N. PSC COSTS	U305	255	0		0	XXXXX
<u>HOUSING</u>	U400		332.3	795.1	1,127.4	XXXXX
RENT	U401	235		409.9	409.9	27
UTILITIES	U402	235		385.2	385.2	XXXXX
RENOVATION AND MAINT.	U403	259	15.0		15.0	XXXXX
QUARTERS ALLOWANCE	U404	127	0		0	
PURCHASES RES. FURN/EQUIP.	U405	311	44.2		44.2	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	17.7		17.7	XXXXX
SECURITY GUARD SERVICES	U407	254	250.9		250.9	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.5		2.5	XXXXX

ORGANIZATION USAID/SOMALIA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,315.4	254.9	1,570.3	XXXXX
RENT	U501	234	19.8	95.3	115.1	2
UTILITIES	U502	234	0	95.6	95.6	XXXXX
BUILDING MAINT./RENOV.	U503	259	5.0		5.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	12.7		12.7	XXXXX
VEHICLES	U505	312	0		0	XXXXX
OTHER EQUIPMENT	U506	319	0		0	XXXXX
TRANSPORTATION/FREIGHT	U507	22	6.4		6.4	XXXXX
COMMUNICATIONS	U508	230	0	36.0	36.0	XXXXX
SECURITY GUARD SERVICES	U509	254	32.7		32.7	XXXXX
PRINTING	U510	24	1.0		1.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	0		0	0
SITE VISITS	U512	210	57.4		57.4	165
INFORMATION MEETINGS	U513	210	13.6		13.6	4
TRAINING ATTENDANCE	U514	210	41.6		41.6	8
CONFERENCE ATTENDANCE	U515	210	17.0		17.0	7
OTHER OPERATIONAL TRAVEL	U516	210	21.1		21.1	80
SUPPLIES AND MATERIALS	U517	26	132.0		132.0	XXXXX
FAAS	U518	257	550.0		550.0	XXXXX
CONSULTING SVCS - CONT.	U519	259	0		0	XXXXX
MGT./PROF. SVCS. - CONT.	U520	259	25.0		25.0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259	25.0		25.0	XXXXX
ALL OTHER CODE 25	U522	259	355.1	28.0	383.1	XXXXX
TOTAL O.E. BUDGET			4,708.0	1,050.0	5,758.0	XXXXX
RECONCILIATION			2,056.6		2,056.6	XXXXX
OPERATING ALLOWANCE REQUEST			2,651.4	1,050.0	3,701.4	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				935.0		
Exchange rate used (as of May 1, 1983)				15.108		
Estimated Wage Increases - FY 1984 to FY 1985				12.5		
Estimated Price Increases - FY 1984 to FY 1985				15.0		

TABLE VIII - FY 1984

ORGANIZATION USAID/SOMALIA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,386.2		2,386.2	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,078.7		1,078.7	26.3
PT/TEMP U.S. BASIC PAY	U102	112	0		0	0
DIFFERENTIAL PAY	U103	116	235.3		235.3	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	40.3		40.3	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	0		0	XXXXX
EDUCATION ALLOWANCES	U106	126	225.8		225.8	31
RETIREMENT - U.S.	U107	120	75.5		75.5	XXXXX
LIVING ALLOWANCES	U108	128	39.3		39.3	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	33.0		33.0	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	11.9		11.9	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	57.6		57.6	9
POST ASSIGNMENT - FREIGHT	U112	22	290.7		290.7	9
HOME LEAVE - TRAVEL	U113	212	49.3		49.3	9
HOME LEAVE - FREIGHT	U114	22	74.7		74.7	9
EDUCATION TRAVEL	U115	215	21.8		21.8	8
R AND R TRAVEL	U116	215	99.9		99.9	26
ALL OTHER CODE 215 TRAVEL	U117	215	52.4		52.4	64
<u>FOREIGN NATIONAL DH</u>	U200		59.9		59.9	XXXXX
BASIC PAY	U201	114	52.3		52.3	9
OVERTIME, HOLIDAY PAY	U202	115	2.6		2.6	0.5
ALL OTHER CODE 11 - FN	U203	119	2.0		2.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	1.0		1.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13	2.0		2.0	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		612.4		612.4	XXXXX
PASA TECHNICIANS	U301	258	0		0	0
U.S. PSC - SALARY/BENEFITS	U302	113	244.3		244.3	3.3
ALL OTHER U.S. PSC COSTS	U303	255	333.9		333.9	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	34.2		34.2	2
ALL OTHER F.N. PSC COSTS	U305	255	0		0	XXXXX
<u>HOUSING</u>	U400		296.3	708.4	1,004.7	XXXXX
RENT	U401	235	0	388.4	388.4	0
UTILITIES	U402	235	0	320.0	320.0	XXXXX
RENOVATION AND MAINT.	U403	259	15.0		15.0	XXXXX
QUARTERS ALLOWANCE	U404	127	0		0	0
PURCHASES RES. FURN/EQUIP.	U405	311	38.4		38.4	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	15.4		15.4	XXXXX
SECURITY GUARD SERVICES	U407	254	223.0		223.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.5		2.5	XXXXX

ORGANIZATION USAID/SOMALIA

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,486.8	216.6	1,703.4	XXXXX
RENT	U501	234	18.0	95.3	113.3	XXXXX
UTILITIES	U502	234		76.5	76.5	XXXXX
BUILDING MAINT./RENOV.	U503	259	5.0		5.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	11.1		11.1	XXXXX
VEHICLES	U505	312	103.0		103.0	XXXXX
OTHER EQUIPMENT	U506	319	50.0		50.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22	110.5		110.5	XXXXX
COMMUNICATIONS	U508	230		30.0	30.0	XXXXX
SECURITY GUARD SERVICES	U509	254	29.1		29.1	XXXXX
PRINTING	U510	24	1.0		1.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	51.9		51.9	165
INFORMATION MEETINGS	U513	210	10.6		10.6	5
TRAINING ATTENDANCE	U514	210	42.8		42.8	10
CONFERENCE ATTENDANCE	U515	210	15.5		15.5	7
OTHER OPERATIONAL TRAVEL	U516	210	43.7		43.7	84
SUPPLIES AND MATERIALS	U517	26	115.0		115.0	XXXXX
FAAS	U518	257	500.0		500.0	XXXXX
CONSULTING SVCS - CONT.	U519	259	0		0	XXXXX
MGT./PROF. SVCS. - CONT.	U520	259	25.0		25.0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259	25.0		25.0	XXXXX
ALL OTHER CODE 25	U522	259	329.6	14.8	344.4	XXXXX
TOTAL O.E. BUDGET			4,841.6	925.0	5,766.6	XXXXX
RECONCILIATION			1,962.8		1,962.8	XXXXX
OPERATING ALLOWANCE REQUEST			2,878.8	925.0	3,803.8	XXXXX
OTHER INFORMATION:				798.0		
Dollar requirement for local currency costs				15.108		
Exchange rate used (as of May 1, 1983)						
Estimated Wage Increases - FY 1983 to FY 1984				12.5%		
Estimated Price Increases - FY 1983 to FY 1984				15%		

Table VIII Operating Expense Narrative

A. Management Improvements

1. Background:

FY 83 will probably be noted as the year the corner was turned in Mogadishu. After three years of steady growth, the Mission, by the end of this FY, will have reached a plateau in terms of growth rate, and will enter a more normal "replacement cycle." FYs 84 and 85, therefore, will be years of consolidation and planned reorganization. Essentially, the Mission - over the last three years - had been playing catch-up, as it grew in size from a few USDH staffers to the current authorized figure of 24 USDH personnel (20 actually on board as of this writing). During this period, administrative management personnel could do little more than meet crises as they arose each day. Planning for the long-term, though an oft-stated goal, was forced to take a low priority position simply because there wasn't enough time to both put out fires and sit back and plan administrative strategy. While a JAO operation was initiated in FY 82, it has only recently begun to have a real impact on general mission operations. Once it is fully functional, it will advance the process of development by allowing USAID/Management the time required for planning. Certainly, one of the major difficulties in meeting USAID needs (FY 82-83) - beyond both increases and turnover of personnel - was the JAO shakedown period. AID, having denuded itself of the standard support mechanisms of an Executive Office, had to still try and meet the requirements with the limited support of a newly formed JAO. Very often, this led to double work and double costing, when the JAO could not meet requirements in a timely fashion, and Aid Management would try to solve the problem on an ad-hoc basis. Fortunately, the JAO is beginning to show signs of growing efficiency, and this is helping to ease the management burden.

2. Objectives (FY 84 - 85):

As previously stated, it is expected that FYs 84 and 85 will be years of consolidation and reorganization. Some of the projected changes will be as follows:

a) Housing - In FY 83, it became AID policy to renegotiate all leases so that renewal periods would be paid for on the basis of a pre-determined percentage rate of increase, as against renegotiation at a fair market value rate. While it was understood that a low inflation rate might lead to losses as against standard market prices for housing, the gamble was thought to be worthwhile. This policy continues in effect - some housing leases are still to be renegotiated - and already has begun to pay dividends. Savings on an average house rental (24) is now in the neighborhood of \$500.00 per year.

Beyond that, with only a few houses to rent in the near future, AID/Somalia is beginning to review available housing with the purpose of dropping the leases on houses requiring a high degree of maintenance, and maintaining only those leases where low maintenance costs prevail.

b) Office Space Utilization - With the current AID Compound lease good through 1987, the Mission is going ahead with plans to increase the amount of usable office space through the renovation of a rear storage area (to create three more offices and a conference room). This is an absolute necessity, as there is barely enough space now (AID currently renting additional office space off the compound) with four vacant USDH positions still to be filled. Though the cost (estimated at \$20,000) may seem somewhat high, when reviewed against the alternative - rental of another building (estimated at 32,000 dollars per year not including maintenance and preparation costs) - savings would be 12,000 dollars in the first year alone.

Nor does this take into account savings accruing from lower security system installation costs. By maintaining a single office compound, the Mission saves substantially through the creation of a single first-line perimeter wall security system, rather than having to create two or more systems. Considering current plans, that could mean a savings of 30-40,000 dollars in estimated construction costs.

c) Aid Guest House - In line also with an administrative decision to group AID housing near the office compound (K-5 to K-7 area), the Mission is renting new guest house space within a few minutes' walk of the main gate. This new facility eventually will fully replace the current guest house - though not immediately. Once fully operational, it will provide immediate savings in the form of vehicle time not required to carry TDY personnel to AID from the Guest House. It will also pay a rather substantial dividend in that TDY personnel will spend more time at the office than is now the practice. Though this is somewhat difficult to compute, there is no question that "useful" TDY time will be expanded by at least two hours per person/day.

d) Information Systems - The Mission, this year, plans to take the first step in installing an automated information (WP) system for use of the various divisions. The word processing feature of the OIS-140-3, alone, will relieve officers of much of the onerous work involved in preparing second, third and fourth drafts of major reports and contracts. Once other software is also in place, it will allow the Mission to track project and administrative work in less than half the time it now takes. All of this will provide some of the extra time needed for personnel to keep up with an expanding program. While dollar value can not be easily quantified, if a mere three hours per week of an FS-2's time is saved in the process it would mean a savings of 3,100 dollars per man per year. On a Mission-wide basis, such savings could be as high as 70,000 dollars per year.

e) Administrative Reorganization - As the Mission matures and less crisis management is required of the AID Management Office, certain new steps will be taken to meet future requirements. Specifically, such steps are as follows:

1. The Mission will begin developing an in-depth training plan in order to upgrade the skills of FSN and other local hire personnel as required. An initial step was taken with the provision of three weeks of training recently for secretarial personnel. This approach will be expanded

to include further U.S. or third country training for project and program personnel.

2. The Mission C&R operation will be reorganized to more effectively serve the line offices. An additional local hire person will be brought in to both back up the current TCN C&R person and also provide translation skills for that office. In the meantime, it is the intent of the Mission to provide some training in copier repair for our C&R general assistant. Once trained in first-line maintenance procedures, this man could save the Mission substantial amounts of money by maintaining equipment until the regular maintenance man arrives (contractor from Mbabane). The Mission has already noted that each day our equipment is down costs on an average 300 dollars in private copying. Therefore, each additional week the copiers function is worth at least 1,500.00 dollars to the Mission.

3. In order to better support the Mission as well, it is now planned to separate the management functions into three discrete areas, each handled by one management assistant. (a) Personnel and C&R will be the responsibility of the Management Office secretary; (b) Office/Housing Maintenance and Guest House Operations will be the responsibility of the dependent spouse assistant; and (c) motor pool supervision, purchase order preparation and control, local contract time sheets, and general support activities will be the responsibility of the Somali Management Assistant. With each person handling specific operational sectors, the Management Office will then begin dealing with longer-term management planning.

B. Justification For Funding Changes

The Table below compares the Total Operating Expense Budget and the Mission Operating Allowance Request for FY 84 and FY 85 as presented in the FY 85 ABS, for FY 83 and FY 84 as presented in the FY 84 ABS and Approved Levels for FY 83 and FY 84 authorized by State 14836 (January 18, 1983). Mogadishu 827 revised the detail by Function Codes for both fiscal years. For FY 84 approved level comparison purposes, we are using the detail presented in Mogadishu 827. Function Code Summaries differ slightly because of post assignment and USDH salary information available in January 1983 that was not available in May 1982.

	<u>U.S. \$000</u> <u>Total O.E. Budget</u>	<u>U.S. \$000</u> <u>Mission Operating Allowance</u>
<u>FY 85 ABS</u>		
FY 84	5,766.6	3,803.8
FY 85	5,758.0	3,701.4
<u>FY 84 ABS</u>		
FY 83	4,649.2	3,075.9
FY 84	5,141.2	3,554.5

APPROVED LEVEL

FY 83	4,405.8	2,916.3
FY 84	5,173.2	3,554.0

The Approved Level for FY 83 is the amount requested in Mogadishu 3398 submitted on May 5, 1983. There has been no response to this request; however, we are using this level for comparison between FY 83 and FY 84.

The FY 84 Mission Operating Allowance will be augmented for the first time by 925,000 dollars in trust funds generated by the 1982 CIP program. The U.S. dollar requirement is 2,878,000 dollars and the FY 85 U.S. dollar Mission Operating requirement is projected at 2,651,000 dollars. Trust funds generated from the 1983 CIP program are estimated at 1,050,000 dollars.

The Mission believes this budget presents a realistic picture of Operating Expense requirements based on the program size and workforce mix. Three U.S. PSCs have been budgeted to augment the Mission staff in monitoring requirements and to manage the Agency's policy and programs in the Private Enterprise area.

In spite of the acknowledged high inflation in developing countries, the instructions for Table VIII narrative require a detailed explanation for changes of 10 percent or more. We are presenting the detail as requested, but we wish to point out that the FY 83 approved O.E. level is artificially low. Our request of 4,649.4 dollars as the total Operating Expense Budget and 3,075.9 dollars in Mission allowance was reduced to 4,522.1 dollars and 2,916.3 dollars in the approval. We have been able to live within this level because of major procurement actions for residential furnishings funded in FY 82 and past assignments taking place much later in the fiscal year than planned. The 27.5 percent increase in the Total Budget and 30.4 percent increase in the Mission Allowance becomes 24 percent and 23.7 percent respectively when the FY 83 request in the FY 84 ABS is compared to the FY 85 ABS. Further, when the FY 84 request and approved level (as revised by Mogadishu 827) is compared to this request for FY 84, the percentage increases are only 11.5 for the total budget and 7.0 for the Mission allowance.

FY 83 Comparison To FY 84

U100. The change is 22.4 percent. When compared to the FY 84 revised budget (Mogadishu 827), it is 21.0 percent. Several factors contribute to this change. Two new positions were approved (Assistant program Officer and General Development Officer). See State 69194 for approval. Salaries for all personnel were computed, as instructed, at the current rates which are higher than last years' rates used to compute the FY 83 budget for Function Codes U101, U193, U104, U107 and U109. Mogadishu is at this time a one tour post; therefore, we have budgeted for Post Assignments and Home Leave accordingly at considerable expense. Increases of 15 percent have been factored into all travel and transportation costs and Function Code U117 (Other Travel) has been substantially increased based on FY 83 experience for the

first seven months of the fiscal year. Education Allowance (U106) for school at post has been increased by 36 percent based on already known increases in FY 83 for the 83-84 school year. Post assignments are budgeted for a family of four and we have assumed school age children in all cases.

It should be noted that post assignment for the General Development Officer, Assistant Project Officer, Program Economist, Project Officer and new Director are budgeted in the FY 83 allowance. If any of these assignments occur in FY 84, we will have to request increases accordingly.

Workforce: As the Mission has not received new FY 84 and FY 85 workforce levels, the 26.3 work years shown for U101 are based on State 69194 which approved 27 positions, two PASA, one IDI and 24 U.S.D.H. The two-three work years difference represents time charged to the Mission while the employee is on home leave and assumes immediate replacement for transferred employees. The IDI will remain at post through the end of tour in February, 1984.

U200. The change is a decrease of 23.9 percent from FY 83 to FY 84; a decrease of 60.5 percent when compared to the FY 84 revised budget (Mogadishu 0827). The reason for this change is attributed to the Mission decision to decrease the number of FNDH by shifting staff to contract. The 22 approved positions in FY 83 (15 filled) will be reduced to nine in FY 84. The six FNDH will be transferred to the RWA contract and are budgeted in Function Code U522. An increase in salary of 25 percent effective March 31, 1984 was factored into Function Code U201 and U202. This is based on past increases (the FY 83 increase was 22 percent effective April 3, 1983). Some savings between FY 83 and FY 84 resulted from the Official Exchange rate increasing to Somali Shillings 15.108 to the U.S. Dollar versus the 12.465 rate effective in May 1982 and the 15.055 rate effective in January, 1983 when the FY 83 budget was revised. Exchange rate changes of a large magnitude are not expected in FY 84.

U300. The change is an increase of 144 percent from FY 83 to FY 84, 9.5 percent between this request and the FY 84 revised budget. The FY 83 U.S. PSC costs do not include long-term contractors while this request as well as the approved FY 84 level provide for long-term (two year) U.S. PSCs. We have budgeted PSCs in the area of Population, Engineering and Private Enterprise. Function Code U303 provides for the necessary logistic support of the PSCs. Two FN PSCs are budgeted for FY 84. One is already working in the Mission Controller's Office, one is budgeted for the Program Office.

U400. Housing costs increase by 35.2 percent from FY 83 to FY 84, but decrease 9.8 percent between this FY 84 request and the FY 84 revised budget. Additional housing is required for the two employees filling the new positions of Assistant Program Officer and General Development Officer as well as an additional guest house for TDY personnel. Utility costs have been increased by 100 percent over the FY 83 rate in line with experience to date. Guard services costs have increased for several reasons. In the FY 83 budget,

the Recreation Welfare Association (RWA) contract through which the Mission procures services did not include the RWA overhead because the RWA was just beginning to expand under new management. A 25 percent salary increase effective March 31, 1984 has been factored into Function Code U407, the same as the increase for FNDH.

U500. Office Operation costs increase 13.6 percent from FY 83 to FY 84; 23.7 percent between this FY 84 request and the FY 84 revised budget. This increase is attributed to an increase of 50 percent from the period 1981 - 1983 to 1984 - 1986 and additional office space leased by the Mission in early FY 83 to accommodate staff increases. We have budgeted increases in the utility costs because of inflation, extra leased space and additional space within the AID compound to be rehabilitated as offices in late FY 83. We have budgeted 500,000 dollars in FAAS changes based on State 61373 which provided an estimated FY 83 rate of 469,400 dollars. The FY 83 FAAS was budgeted at 325,000 dollars based on information available in FY 82, when the JAO was just beginning. We have hedged vehicle procurement by providing FY 83 funds for purchase of six vehicles and budgeted again in FY 84 in case the FY 83 funding is not approved. Function Code U522 has been increased by 50 percent to cover the costs of FSN staff shifted to the RWA contract and the costs of a 25 percent salary increase projected for March 31, 1983.

There are decreases in the U500 Category between FY 83 and FY 84, specifically U503, U504 and U507. The Mission is not planning any major renovations of major purchases of office furniture with related savings in transportation. We have budgeted 50,000 dollars for Mission specific contracts in the management and special studies function codes.

FY 84 Comparisons To FY 85

There is very little change between the two fiscal years. The total O.E. requirement increases 0.02 percent and the Mission requirement decreases by 2.7 percent.

U200. The increase of 26.7 percent is due to a 25 percent increase in salary budgeted for March 31, 1985 and increased overtime costs.

U300. This summary function code decreases 3.3 percent because all PSC shipping costs would be obligated in the first year of the two year contract. Only logistic costs, education allowance and R and R are included in FY 85 for the second year of the contract.

U400. The increase is 12.2 percent. Housing costs have been "capped" within the lease agreements. Most prior year leases and all new leases are negotiated with a two year fixed rate and a fixed percentage increase (average of 15 percent) for renewals for an additional two year period. Utility costs have been increased for inflation. Guard Services have been increased 25 percent for salary increases as of March 31, 1985. No major purchases of residential furnishings have been budgeted for FY 85 since all major purchases were made in FY 81 and 82. The amount shown is for replacement appliances which wear out quickly from the frequent power cuts and surges. Transportation

are minimal and represent costs of shipping the appliances.

U500. This summary function code decreases 7.8 percent due mainly to no new purchases of vehicles and other equipment.

Table VIII b shows the costs of purchasing a Wang 6540-3 OIS-14-3 CPU and power conditioning equipment and start up costs. Transportation costs have been excluded from this cost.

C. Trust Funds

As stated in Part B above, Trust Funds of 925,000 dollars and 1,050,000 dollars for FY 84 and FY 85 respectively have been included in this presentation. The funds derive from a CIP requirement that 5 percent of the funds generated will be made available for USAID uses.

TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

	-----Fiscal Year-----		
	1983	1984	1985
<hr/>			
A. <u>Capital Investments</u>			
1. Purchase of ADP Equipment			
2. Purchase of Software			
Subtotal			
B. <u>Personnel</u>			
1. Compensation, Benefits, Travel			
2. Workyears			
Subtotal			
C. <u>Equipment Rental and Other</u>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals			
2. Supplies and Leased Software			
Subtotal			
D. <u>Commercial Services</u>			
1. ADP Service Bureau			
2. Systems Analysis and Programming			
3. ADPE Maintenance (If separate from item C.1.)			
Subtotal			
E. <u>Total Obligations (A-D)</u>			
F. <u>Interagency Services</u>			
1. Payments			
2. Offsetting Collections			
Subtotal			
G. <u>Grand Total (E+F)</u>			

Amount included in Mission allowance
for existing systems

Amount included in Mission allowance
for new/expanded systems

TABLE VIII(b)
OBLIGATIONS FOR WP SYSTEMS
(\$000)

	<u>Fiscal Year</u>		
	<u>1983</u>	<u>1984</u>	<u>1985</u>
A. Capital Investments in W/P Equipment	134.0		
B. W/P Equipment Rental and Supplies			
C. Other W/P Costs			
Total			
Amount included in <u>Mission allowance</u> for existing systems	134.0		
Amount included in <u>Mission allowance</u> for new/expanded systems			

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	Mission Director	1.0	1.0	1.0	1.0
012	Dep. Mission Director	0.5	1.0	1.0	1.0
071	Executive Assistant	1.0	1.0	1.0	1.0
023	Program Officer	1.0	1.0	1.0	1.0
023	Assistant Program Officer	0.2	1.0	1.0	1.0
021	Program Economist	1.0	1.0	1.0	1.0
050	Secretary	1.0	1.0	1.0	1.0
720	Refugee Advisor	1.0	1.0	1.0	1.0
150	Food for Peace Officer	1.0	1.0	1.0	1.0
043	Controller	1.0	1.0	1.0	1.0
042	Budget/Accounting Officer	1.0	1.0	1.0	1.0
032	Management Officer	1.0	1.0	1.0	1.0
050	Secretary	1.0	1.0	1.0	1.0
940	Project Dvl. Officer	1.0	1.0	1.0	1.0
940	Asst. Project Dvl. Officer	1.0	1.0	1.0	1.0
932	Supply Mgt. Officer	1.0	1.0	1.0	1.0
124	General Dvl. Officer	0.1	1.0	1.0	1.0
251	General Eng. Officer	1.0	1.0	1.0	1.0
106	Project Mgr.	1.0	1.0	1.0	1.0
502	Project Mgr. (Health/Pop)	1.0	1.0	1.0	1.0
103	Agric. Dvl. Officer	1.0	1.0	1.0	1.0
103	Asst. Agr. Dvl. Officer	1.0	1.0	1.0	1.0
107	Project Manager	1.0	1.0	1.0	1.0
104	Project Manager	1.0	1.0	1.0	1.0
050	Secretary	1.0	1.0	1.0	1.0
103	IDI	1.0	0.0	0.0	0.0

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
4005	Project Specialist	1.0	1.0	1.0	1.0
4015	Participant Training Assistant	1.0	1.0	1.0	1.0
4005	Project Assistant	1.0	1.0	1.0	1.0
1105	Engineer	1.0	1.0	1.0	1.0
4005	Project Asst. Health	1.0	1.0	1.0	1.0
420	Voucher Examiner	1.0	1.0	1.0	1.0
410	Accounting Tech.	1.0	1.0	1.0	1.0
415	Cashier	1.0	1.0	1.0	1.0
120	Secretary	1.0	1.0	1.0	1.0
410	Supv. Acctg. Tech.	0.0	0.0	0.0	0.0
410	Accounting Tech.	0.0	0.0	0.0	0.0
405	Budget Analyst	0.0	0.0	0.0	0.0
805	Supply Supv.	0.8	0.0	0.0	0.0
905	Shipment Asst.	0.8	0.0	0.0	0.0
605	Telephone Operator	1.0	0.0	0.0	0.0
1005	Motor Pool Supv.	1.0	0.0	0.0	0.0
1015	Chauffer	1.0	0.0	0.0	0.0
1015	Chauffer	1.0	0.0	0.0	0.0
1015	Chauffer	1.0	0.0	0.0	0.0

Table IX Narrative

A. Background

In order to understand USAID/Somalia's workforce requirements, some knowledge of past Mission history would be helpful. In the FY 79-82 period, Mission personnel were tasked with the responsibility of re-establishing a Mission in Somalia while also rapidly developing both a refugee support program and a broad range of general rural development assistance projects. Later in this same period - with the GSDR movement away from public domination of market resources to a greater sharing with private enterprise - AID authorized the development of a CIP program for Somalia as well. Much of this work was carried out by a small cadre of AID Mission personnel and a steady stream of short-term contractor project development personnel. The result of all this effort is a Mission with a portfolio worth more than 75 million dollars and a currently approved ceiling of 24 (23 officers plus one IDI).

FY 83 has been a year of evaluation and planning for the restructuring of both projects and the Mission itself. In effect, this has been a year where USDH and contractor personnel have attempted to review accomplishments, and define future effort in realistic terms. With only one exception (Comprehensive Groundwater Development), most projects are now in the process of re-design. At the same time, personnel have continued work on the development of projects in fields such as Energy Planning, Human Resources Development, Family Health Services, Kismayo Port Rehabilitation, PVO-supported Refugee Development projects, and an augmented CIP program.

All of the above has been carried out by an understaffed Mission. While authorized numbers of USDH personnel have risen to the present total, at no time has the Mission been fully staffed. As of this moment, four positions are still vacant. Nor is this situation likely to improve very much in the near future. Heavy turnover, when coupled with difficulties encountered in obtaining replacement personnel in a timely fashion, has put abnormal pressure on available staff to meet what would be reasonable goals, if the Mission were fully staffed. To a degree, the Mission has handled some of the problems using short-term contractors, but this has been at heavy cost, both financial and in terms of lack of continuity.

B. Skills Mix

Assuming full staffing, the Mission essentially has the skill mix it will require through FY 85, with only a few minor changes seemingly appropriate. Only two divisions (General Development and Refugee Affairs) appear to be in need of skill changes. In the General Development Division (concerning all non-agricultural projects), there is currently no officer to handle population project activities. While such an officer might be called in to replace the Project Manager/Health, when he leaves in September, 1983, this would still leave the Mission with a major health project that would require assistance as well. Therefore the Mission will be asking AID/W to recruit both a new health officer and a population officer for Mogadishu. Refugee Affairs poses a different problem. As the Mission moves from a pure refugee support role to a more formalized refugee assistance and development program, the Refugee

Affairs Officer should eventually be replaced by a Rural Development Officer, who could handle the projects currently being developed to assist refugees in resettlement activities. The Food for Peace Officer, also, would play a lesser role in the Mission due to the fact that most of our effort is now Title I, with little in the way of Title II effort - which requires much more time and expertise. In effect, much of the duties currently carried out by the FFPO could be carried out by the new Assistant Program Officer, once he and the Program Economist are on board.

Beyond the positions mentioned above, other skills required in the Mission - especially in the Agricultural Development Office - seem to be in a correct proportion to the program as discussed in the earlier portions of the ABS.

C. Force Reduction

In line with the above, the Mission does not see itself as being in a position to make any cuts in the presently approved personnel levels. Two factors must be taken into account when discussing force reductions. Rapid personnel turnover, almost a totally new staff every three years, has not left the Mission with the leeway to put things in line and ease off the pressure on any one office or individual. When this is coupled with the continued rapid growth in the program, it becomes readily apparent that a cut of two to three people would leave the Mission more short-handed than it already is. If no other recourse is open, the Mission could delete two of the four secretarial positions; but with an FN secretarial training program in its infancy, and no source of skilled FN secretaries readily available even this type of cut would immediately show up in an activity slowdown. In other words, the Mission feels that an across the board ten percent cut would not be in the best interest of this Mission during the next two to three year period.

This is not the case in the realm of the Foreign Service Nationals. The Mission has already agreed to a cut of approximately 42 percent in staffing by the end of FY 83. This staff cut is made possible through the use of a staffing contract which will provide all secretarial and motor pool personnel for the Mission after September, 1983. Since FSNs no longer receive any greater benefits than contractor personnel, this will ease the transition to a non-FSN staff. It should be noted, however, that this transition does depend to a large degree on the continued willingness of AID/W to provide training for local hire contract personnel as well as the FSNs. This tendency - over recent years - has been noted by local hire personnel, and has allowed them to accept contractor status more readily, since it does not mean that they will be denied the opportunity of receiving training.

After FY 83, the Mission proposes maintaining a cadre of skilled FSNs who will serve as assistants to USDH officers, while also serving as the basis for continuity in some divisions until the post can develop to the point where heavy U.S. turnover is no longer a problem.

D. Use of Contractors

As in the past, the Mission will make up the expertise gap with contractors, both long and short-term. Long-term contractors (three to five) will be used primarily to augment the Program and Refugee Affairs Divisions in order to meet refugee review and reporting requirements and to provide assistance in the development of the host country CIP Monitoring Unit. For scientific and technological expertise, the Mission will continue to rely on AID/W and/or contractors on a short-term basis. Specifically, it is expected that the Mission will be requiring expertise in energy management, research, and planning, water resource development, fisheries development, livestock development, and the development of small-scale rural industries.

Though some expertise already is available at the Mission level in some of these sectors, once again too much work and too little time will prevent the Mission from pulling any one individual out of the line for a long enough period to handle constructive research or development activities. Therefore, it will have to continue to rely on AID/W offices and personnel, REDSO personnel, and contractors (on a short-term basis) when research or development effort is required.

P.L. 480 - Narrative

I - P.L. 480 Title I - Summary

The P.L. 480 Title I program is a major component of the U.S. assistance effort to Somalia. The P.L. Title I program is used, along with ESF non-project assistance, to provide balance of payments support and to encourage continued policy adjustment. In the short, term policy dialogue encouraged through the P.L. 480 Title I program is directed towards support of USAID's strategy of economic and financial stabilization and the more effective use of available resources. The utilization of local currency generations will continue to be directed towards reducing Government's need to enter into commercial credit markets and using resources which otherwise could have gone to private sector interests. In part, local currency will be directed to support local costs components of on-going development projects.

II - Recent Policy Changes and Environment:

The Somali Government has embarked, in consultation with the IMF, in a series of policy reforms measures. These measures are discussed fully in the CDSS. Perhaps, the most important policy change in 1982 is that the Government significantly altered the role played by its domestic food marketing parastatal, the Agricultural Development Corporation (ADC). Although the law does not state it, the Government is essentially allowing farmers to sell their production at prices determined in the market place while ADC's role has been reduced to buyer of last resort. In addition, the Government has begun to liberalize the economy as evidenced more by an ever-increasing number of changes in administrative practices than by formal or legal revisions. Among the less advertised changes are increased leasing of land to private interests; increased support to small (private) farmers; encouragement of foreign private investment; and the complete liberalization of import controls.

III - Food Production Situation:

Agricultural production has been essentially stagnant over the period 1970-80 with wide fluctuations due to periodic droughts. The last major drought of 1973-75 and the smaller one is 1979-80 resulted in serious losses of humans and livestock. However, crop agriculture, both rainfed and irrigated holds the largest production potential for Somalia. An estimated two million hectares could be brought into rainfed production when the physical and social infrastructure becomes available. The large intra riverine area is thought to contain the greatest single area for expansion, although further investigations are necessary to confirm the feasibility and economics of expansion into this areas.

Irrigated crop production represents one of the few alternatives the country has to increase food production and diversify exports. Among those crops that show export or import substitution potential are fruits, cotton, oilseeds, and possible sugar and vegetables.

The potential for improving yields on rainfed and irrigated farm is shown below:

Yield per acre (in quintal)

	<u>Sorghum</u>	<u>Corn</u>	<u>Rice</u>	<u>Sesame</u>
Present	4	8	20	3
Potential	8	25	30	10

IV - Self-Help Measures:

The self-help measures incorporated into the P.L. 480 Title I agreements are in direct support of a) the macro-economic reform efforts, as established by the IMF; and, b) specific development activities in the agricultural sector.

In negotiating the FY 1984 and FY 1985 P.L. 480 Title I agreements, USAID will emphasize the following policy concerns:

- Agricultural price policy: to establish true market equilibrium in pricing;
- Public sector employment and wage policy: to assist in a program to increase incentives while holding line in a total wage bill; and,
- Public enterprises policy: to encourage divestiture of inappropriate public enterprises.

The counterpart funds generated from the sales of P.L. 480 Title I commodities are an important element of USAID's strategy as they provide support for the Government development projects in a period of fiscal restraint. Without these funds, there will be little available for development budgets because nearly all the funds would be committed to the recurrent administrative budget of the Government. Therefore, USAID will promote the funding of specific on-going projects in the Five Year Development Plan which support the agriculture, and rural development, and the health sectors. The projects to be included for funding from the counterpart fund include, inter alia, projects which promote agricultural research and extension, marketing, seed multiplication, irrigation, rural health care, transportation, and road maintenance activities. USAID will seek to encourage specific self-help measures to be implemented in remote areas (i.e. the Sannag and Bari Regions) which will improve the existing infrastructure. These activities will concentrate on water systems rehabilitation and construction, feeder roads maintenance, agricultural cooperatives, and health facilities. In addition, counterpart funds will be programmed to support local costs of donor development activities.

V - Use of Generated Proceeds

The P.L. 480 Title I generated local currency will be used to finance activities designed to increase agricultural, health, manpower, and private sector developmental objectives. Some proceeds also will be used in support of special endeavors which fall within the program parameters spelled out in the Government's Five Year development Plan and USAID CDSS.

Two special entities have been established to insure that the generated proceeds are programmed in conformity with the established policy. The first, the Generated Shilling Proceeds (GSP) Committee, which provides general oversight, direction and guidance in the enactment of the policy guidelines. The GSP Committee serves as the reviewing authority for the use of proceeds generated under the P.L. 480 Title I program. The Committee consists of two officials of the GSDR's Ministry of Finance, and two officials from the USAID Mission. The Committee prepares its recommendations for the joint approval of the Minister of Finance and the USAID Director. The second, the CIPL Unit - which is a special unit within the Ministry of Finance - serves as the day-to-day guarantor that the policy objectives are being met.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XI

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

COMMODITIES	FY 1983			Estimated FY 1984			Projected FY 1985		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
<u>Title I</u>									
Wheat	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Wheat Flour	3.3	3.3	-	4.0	4.0	-	4.0	4.0	-
Rice	5.3	5.3	-	5.5	5.5	-	5.5	5.5	-
Vegoil	5.4	5.4	-	5.5	5.5	-	5.5	5.5	-
Total	15.0	15.0	-	16.0	16.0	-	16.0	16.0	-
<u>Of which</u>									
<u>Title III</u>									
Wheat	-	-	-	-	-	-	1.0	1.0	-
Wheat Flour	-	-	-	-	-	-	4.0	4.0	-
Rice	-	-	-	-	-	-	5.5	5.5	-
Vegoil	-	-	-	-	-	-	5.5	5.5	-
Total	-	-	-	-	-	-	16.0	16.0	-

COMMENT:

USAID/SOMALIA

PROGRAM DEVELOPMENT AND SUPPORT REQUIREMENTS
FOR FY 1984 AND FY 1985

I - <u>FY 1984:</u>		(\$000)
A - Project Identification Documents		
Livestock Marketing - 649-0109		20
Production Systems Planning and Research - 649-0126		25
Groundwater Development II - 649-0127		20
Family Health Services - 649-0130		15
Rural Development Management - 649-0119		25
Irrigation Development and Rehabilitation - 649-0129		30
B - Project Papers		
Livestock Marketing - 649-0109		50
Production Systems Planning and Research - 649-0126		50
Groundwater Development II - 649-0127		50
Family Health Services - 649-0130		30
Rural Development Management - 649-0119		50
C - Special Studies		
Migration and Repatriation of Foreign Earnings		40
The Dynamics of the Extended Family Economic System		40
Export Crops Alternatives		25
Labor Shortage Phenomenon		25
TOTAL		495
II - <u>FY 1985:</u>		
A - Project Identification Documents		
CDA - Forestry - 649-0128		25
Energy Management Planning - 649-0124		15
B - Project Papers		
Irrigation Development and Rehabilitation - 649-0129		50
CDA - Forestry - 649-0128		50
Energy Management Planning - 649-0124		40
C - Special Studies		
Review of Selected Public Sector Enterprises		50
TOTAL		230

FY 84 Procurement Plan (NXP)

O.C. 310

<u>Qty</u>	<u>Item</u>	<u>Unit Cost \$</u>	<u>Extended Cost</u>	<u>Packing/ Shipping \$</u>	<u>Total \$</u>
5 ea.	Desks, Conf.	431	2,155	1,080	3,235
5 ea.	Cabinets, Metal	184	920	460	1,380
5 ea.	Chairs, Office	104	520	260	780
5 ea.	Tables, Typing	144	720	360	1,080
5 ea.	Typewriters, Selectric	1,150	5,750	2,875	8,625
	Cabinets, 4 drawer, file	198	990	495	1,485
A.	Extended Cost	-	11,055	-	-
B.	Est. Pkg/Shipping	-	-	5,530	-
C.	CIF (Mogadishu)	-	-	-	16,585

O.C. 311

15 ea.	Airconditioners	793	11,895	4,755	16,650
5 ea.	Stoves	426	2,130	850	2,980
5 ea.	Washers	598	2,990	1,195	4,185
5 ea.	Driers	446	2,230	890	3,120
5 ea.	Freezers	834	4,170	1,665	5,835
5 ea.	Refrigerators	575	2,875	1,150	4,025
5 ea.	Water heaters, 80 gal.	288	1,440	575	2,015
5 ea.	Pump (pressure type)	403	2,015	805	2,820
5 ea.	Pump, standard	288	1,440	575	2,015
15 ea.	Transformer/Regulator	288	4,320	1,725	6,045
A.	Extended Cost	-	35,505	-	-
B.	Est. Pkg/Shipping	-	-	14,185	-
C.	CIF (Mogadishu)	-	-	-	49,690

O.C. 319

1.	Generator, 125 KVA	50,000	50,000	15,000	65,000
A.	Extended Cost	-	50,000	-	-
B.	Est. Pkg/Shipping	-	-	15,000	-
C.	CIF (Mogadishu)	-	-	-	65,000

FY 84 Procurement Plan (NRP)

O.C. 312

I. Replacement Vehicles

A.	<u>Qty</u>		<u>Unit Cost</u>	<u>Pkg/Shipping</u>	<u>Total</u>	<u>To Retire</u>
	1 ea.	Suburban 4 x 4 CK 20906/ZW9	\$16,350	\$14,225	\$30,575	#29349
	1 ea.	"	16,350	14,225	30,575	#29350
	1 ea.	S-10 Blazer 4 x 4	14,533	12,640	27,173	#23506
	1 ea.	CT 10516/E55	14,533	12,640	27,173	#31468
	1 ea.	"	14,533	12,640	27,173	#30810
	1 ea.	Celebrity Sedan	8,700	7,569	16,269	#40011
B.	Est. Pkg/Shipping		-	73,939	-	
C.	CIF (Mogadishu)		-	-	158,938	

II. New Vehicles

A.	1 ea.	Crewcab Pickup 4 x 4	18,000			N/A increase in field activity
B.	Est. Pkg/Shipping			15,660		
C.	CIF (Mogadishu)				33,660	

III. Total 312 Requirements This FY: \$192,598

FY 85 Procurement Plan

O.C. 310

Replacement Property Requirements

<u>Qty</u>	<u>Item</u>	<u>Unit Costs \$</u>	<u>Extended Costs \$</u>	<u>Pkg/Shipping \$</u>	<u>Total \$</u>
5 ea.	Desk, secretary	495	2,475	1,240	3,715
5 ea.	Cabinet, metal	212	1,060	530	1,590
5 ea.	Chair, secretary	120	600	300	900
5 ea.	Table, typing	166	830	415	1,245
5 ea.	Typewriter, Selectric	1,322	6,610	3,305	9,915
5 ea.	File Cabinet, 4 dr.	228	1,140	620	1,760
A. Extended Cost	-	-	12,715	-	-
B. Est. Pkg/Shipping	-	-	-	6,410	-
C. CIF (Mogadishu)	-	-	-	-	19,125

O.C. 311

15 ea.	Air conditioners	912	13,680	5,475	19,155
5 ea.	Stores	490	2,450	980	3,430
5 ea.	Washers	688	3,440	1,375	4,815
5 ea.	Driers	513	2,565	1,025	3,590
6 ea.	Freezers	959	4,795	1,915	6,710
5 ea.	Refrigerators	661	3,305	1,320	4,625
5 ea.	Water heaters, 80 gal.	331	1,655	660	2,315
5 ea.	Pumps, pressure	463	2,315	925	3,240
5 ea.	Pumps, standard	331	1,655	660	2,315
15 ea.	Transformers/Regulators	331	4,965	1,980	6,945
A. Estimated Cost	-	-	40,825	-	-
B. Est. Pkg/Shipping	-	-	-	16,315	-
C. CIF (Mogadishu)	-	-	-	-	57,140

O.C. 319

N/A

O.C. 312

N/A