

PII-ABJ-213

10/1/89

USAID/SOMALIA

PROJECT IMPLEMENTATION REPORTS

(April 1, 1989 - September 30, 1989)

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PROJECT IMPLEMENTATION REPORTS (PIRS)
(April 1 - September 30, 1989)

MISSION OVERVIEW STATEMENT

This overview contains two sections. The first describes how the Mission portfolio has been affected by the U.S. Government decision, made in late August 1989, to reduce U.S. presence in Somalia. The second discusses the contributions of the portfolio, now significantly scaled back, to the Mission's Action Plan agenda.

No PIRs have been prepared for our FY 1987, 1988, and 1989 ESF programs. Disbursements under the \$15.25 million FY 1987 program were suspended in September 1987 because the GSDR cancelled the foreign exchange auction in violation of the Grant Agreement shortly after it was signed. In July 1988 the U.S. Congress placed a hold on the grant. During the previous reporting period, the GSDR established an alternative system of allocating foreign exchange that is substantially market-determined, thus satisfying the concerns which arose in September 1987. As a result, the Mission approved a PAAD Supplement for the FY 1987 ESF program in March 1989 and signed a revised program agreement in July 1989 making the funds available for payment of IMF arrears. While Congress lifted the hold in April 1989, disbursement of the grant has been postponed pending the outcome of discussions with other donors on a comprehensive package to cover Somalia's critical problem of paying outstanding arrears owed to the IMF. The FY 1988 ESF PAAD was approved but funds were never authorized by AID/W and these funds are now no longer available for Somalia. In theory, the FY 1989 ESF resources remain available for obligation until the end of FY 1990.

In this round of PIRs greater attention was given to the section "Progress Toward Meeting End of Project Status." In addition to a discussion of achievement of each objective, some PIRs now include a short narrative which encapsulates what has been achieved thus far. This was done in those PIRs where the six-month reporting focus of the PIR format was considered too constraining to adequately convey overall project performance. Similarly, more attention was given this cycle to identifying required actions over the next six-month period which focus less on A.I.D. paperwork, contracting and procedural requirements and more on substantive steps needed to meet project output and EOPS targets. We believe that this submission provides a better balance between process and result-oriented future activities. The Mission continues to use its internal project tracking system which is partially based on the PIRs. The system generates a monthly calendar of key activities which is used by Mission Management for reviewing the status of project activities on a biweekly basis.

Section I -- Decision to Reduce U.S. Presence in Somalia:

In late August in accord with NSDD No. 38, initial steps were taken to reduce the overall U.S. presence in Somalia by 50 percent. For USAID this means that authorized direct hire staff positions are being reduced from 26 to 14. Third Country National staff who support the USAID program are declining from 11 to 4 and project personnel (primarily U.S. PSCs and institutional contractor staff) are being reduced from 43 to 18. The overall reduction must be fully implemented by the end of February 1990.

Five projects in our portfolio of ten projects are significantly affected by the August decision and security concerns. The Shebelli Water Management Project (649-0129) was terminated just after a major institutional contract had been awarded on July 2, 1989, and before arrival of the 10 person contract team (an eleventh contractor position from the Land Tenure Center was also cancelled). Under the Livestock Marketing and Health Project (LMHP - 649-0109), the continuing civil unrest in the North (near Berbera) and in the South (Kismayo area) since last April resulted in the cancellation of construction of the two livestock quarantine facilities planned for these sites. (As stated in the PIR the Mission is now in the process of preparing a PP Supplement to reflect both the scaling back of the project and the technical assistance needed for the operational and management requirements of the one remaining station.) The Kismayo Port Rehabilitation Project (649-0114) sub-activity, the Kismayo Water Supply System, was similarly cancelled before implementation could begin. Five vacant long-term advisor positions under the Somalia Management Training and Development Project (SOMTAD - 649-0119) will not be filled, and the number of SUNY/Albany professors on TDY will be limited to no more than six at any one time. The need for short-term consultancies on the project will be reviewed on a case-by-case basis. Finally, under the extended Family Health Services Project (649-0139), only one of the long-term technical assistance positions will be continued and the duration of the other two was shortened slightly. Short-term technical assistance is programmed to help compensate for this reduction.

Notwithstanding the reduction in the program, this Overview (Section II) and the PIRs themselves testify to the achievements made under the USAID/Somalia program. With the exclusion of centrally-funded ongoing activities (HRDA and AFGRAD), seven projects will remain active in the portfolio with a combined LOP funding of \$81.665 million and a pipeline of approximately \$41 million. These include Family Health Services, SOMTAD, Policy Initiatives and Privatization, PVO Development Partners, Somalia Refugee Settlement, LMHP, and Project Development and Support. (Only limited training activities remain under the Jubba Development Analytical Studies project.) Additionally, the FY 1989 P.L. 480 program is providing approximately \$5.8 million worth of food imports, and USAID still is managing residual activities under the emergency assistance program in the North. We fully expect that this important, broad-based portfolio will continue making substantial contributions to Mission objectives.

It should also be pointed out that upon the completion of the staff reduction exercise, the Mission staffing pattern will resemble Scenario III of the CDSS, which was approved in June but overtaken by the civil disturbances in July and the subsequent NSDD decision. However, as demonstrated above, even with the staff drawdown, the Mission will continue to implement a substantial development program.

Since the decision to reduce U.S. presence was made, Mission management has focused its efforts on deciding where the personnel and programmatic cuts should be made. Now that a detailed reduction plan has been agreed upon with the Embassy and AID/W and is being put into effect, attention will shift until the end of February to those affected projects needing redesign work (particularly LMHP and SOMTAD) so that project objectives and outputs can be modified before all of the USDH staff cuts become effective. USAID will also need to give attention to completing the staff drawdown and carrying out necessary organizational changes caused by the staff reduction.

Section II -- Contributions and Accomplishments of Projects/Programs Toward Meeting Action Plan Agenda:

Mogadishu 13381 (November 1987) provided AID/W with a description of Mission targets and benchmarks. As in the previous PIR submission, we consolidated this information into nine basic categories, identified the most important target under each category, and then described progress toward meeting each target. Contributions to some targets are less than expected due to the reduction in U.S. presence and cancellation and/or scaling back of some projects as described above and further detailed in the PIRs. Targets established in the recent CDSS covering the period FY 1990-92 will need to be modified in light of the reduced USAID program in Somalia. Revised targets will be adopted for the next PIR submission.

A. FX System and Open Economic Policies

Target: Encourage the GSDR to return to a market-based foreign exchange rate system and other more open economic policies through policy dialogue by A.I.D., IMF, World Bank, and other donors.

Progress: The GSDR has re-committed itself to a comprehensive policy reform program. In March 1988 Somalia reopened negotiations with the IMF and agreed in July to an interim program for the last half of 1988 under a Letter of Intent (LOI) for short-term stabilization and medium-term structural adjustment to improve economic performance. The GSDR successfully carried out the interim program, including implementation of an acceptable alternative to the foreign exchange auction which was abolished in September 1987 (see following paragraph on foreign exchange system). In March 1989 the two parties signed a second LOI covering CY 1989 which was to form the basis for a full-fledged Fund-monitored program upon solution of Somalia's arrears problem with the IMF. Further, the GSDR and the IBRD agreed upon a comprehensive, three-year medium-term program for structural adjustment contained in a Policy Framework Paper (PFP). Achievement of a full Stand-By Program depends primarily upon satisfactory GSDR implementation of the agreed reforms and on the availability of donor assistance to clear Somalia's arrears to the Fund. In early June 1989, the IBRD approved ASAP II and some funds have been disbursed under this program. Further disbursements depend on GSDR performance on reforms contained in ASAP II and the PFP.

In August 1988 the GSDR instituted a flexible exchange rate system designed to prevent excessive over-valuation of the Somali Shilling. The official rate is adjusted weekly based on inflation differentials between Somalia and its principal trading partners. The combination of the weekly adjustments along with several discrete devaluations, has resulted in substantial devaluations of the official exchange rate. Between June 10, 1988, and November 4, 1989, the currency was devalued from 100 to 623 Somali Shillings to the U.S. dollar, an 84 percent adjustment in foreign currency terms and a 523 percent adjustment in domestic currency terms. Additionally, the GSDR permits exporters to sell 40 percent of their foreign exchange earnings to importers at market-determined exchange rates and has initiated a non-discriminatory system for allocating foreign exchange provided through donors' Commodity Import Programs (CIPs).

Notwithstanding the large adjustment in the official rate, the GSDR has failed to close the gap between the official and parallel market rates, due primarily to excess credit expansion after May 1989. As a percent of the parallel rate, the official rate is now below 50 percent; in May 1989, the rate was nearly 80 percent.

At the end of the reporting period, the GSDR was continuing to progress on its difficult reform program (USAID's latest report on the status of implementation of macro-economic reforms is Mogadishu 10867 dated September 27, 1989). Progress was greatest in the areas of privatization and banking reform (see section F., Private Sector, below). Progress also occurred in the land reform area. With assistance from the Land Registration Advisor, financed under the Shebelli Water Management Project, low-cost land registration procedures were developed which were subsequently approved by the Ministry of Agriculture. The procedures are now being implemented in the Shalambood region on a pilot basis. Using Project Development and Support funds a land tenure policy action plan was developed to help the GSDR meet conditions under the PFP. Additionally, the Mission funded a study to analyze costs involved in bringing livestock to market for export and thereby facilitate the GSDR and IMF's reaching agreement on appropriate foreign exchange rate levels. Slippage occurred in the reform program in the areas of credit control, interest rates, fuel price adjustments and in closing the gap between the official and parallel market exchange rates. A PP Supplement for the Policy Initiatives and Privatization (PIP) project was approved in June 1989 which focused the project more directly on assisting the GSDR implement the ambitious reform agenda (see PIR for details).

B. Budgeting

Target: Begin identifying and implementing ways to encourage more rational budgeting practices within the GSDR.

Progress: GSDR efforts to control public expenditures resulted in improved fiscal performance in 1988. Overall Government expenditure targets were achieved in 1988 and strict targets have been set for 1989. A series of revenue enhancing measures to increase collections by one percent of GDP each year through 1991 are being implemented (see section

"D" below on Tax Reform). An action plan to reduce expenditures on foreign representation was prepared. While complete data on fiscal expenditures are not yet available for 1989, there are some indications that Government spending may have exceeded IMF targets. USAID also agreed to finance (with Project Development and Support funds) one member of an IBRD-led public expenditure review team whose work is the first step towards the PFP's target of reform in Government spending.

USAID works directly with the Domestic Development Department (DDD), the organization within the Ministry of Finance and Treasury (MOF&T) responsible for budgeting and releasing local currencies for development programs. The USAID-funded DDD advisor arrived in Somalia in June 1989 filling a position vacant since late 1987. He is introducing systematic budgeting and accounting practices for improved management of the development budget; implementation of these practices is expected in 1990.

C. Balance of Payments and Debt

Target: Support an improved balance of payments and debt situation by the GSDR.

Progress: Little progress has been made. Somalia's balance of payments difficulties and debt situation represent almost intractable problems. Annual program assistance grants ranging from \$15 to \$21 million over the period FY 1987 to FY 1989 were intended to encourage policy reforms and provide balance of payments support. No ESF program assistance has been disbursed since the FY 1986 grant due to program and policy concerns. While the hold on FY 1987 ESF has been lifted, disbursement has been postponed until the Donor Support Group for Somalia mobilizes sufficient funds to cover Somalis's arrears to the IMF. No FY 1988 ESF funds were authorized. Somalia's access to sources of other external assistance, including the IMF, Arab donors and the African Development Bank, is extremely limited due to debt arrears. The Mission is implementing a \$5.8 million FY 1989 P.L. 480 Title II, Section 206 program which is grant funded as was the \$3.9 million FY 1988 program. We continue to push for grant P.L. 480 rather than Title I programs given the severity of Somalia's debt crisis.

D. Tax Reform

Target: Initiate rationalization of the GSDR's tax structure to improve its general efficiency and to move it toward a more income elastic structure relying less on customs duties and more on direct taxes.

Progress: The GSDR Tax Reform Commission (TRC) continued its work on assessing the need for, and impact of, modified tax policies and systematic revenue collection. The TRC recently completed its consolidated final report which is currently being translated into English for review by USAID, IMF and World Bank staff. A series of discretionary tax measures were enacted into law in June and July 1989 which include an increase in the road tax, establishment of a new personal property tax on vehicles and a new tax on real estate, higher fees for drivers licenses and vehicle registration, adjustments in the stamp tax, an increase in the airport departure tax and adjustment of certain tariff rates.

Building on the technical support earlier provided (on three visits) by a PIP-funded tax expert, the PIP long-term advisor and a SOMTAD expert at the MOF&T are working with the TRC on analyzing the tax structure and reviewing proposed modifications to the tax administration system. Finally, the Mission plans to develop a new project supporting tax reform and revenue enhancement for implementation in FY 1992 assuming that funds are available and the ceiling on U.S. presence permits.

E. Public Sector

Target: Improved Public Sector Performance

Progress: Several projects seek to improve the performance of the public sector through human resource development and strengthening key institutions. The main Mission instrument for improving public and private sector efficiency is the SOMTAD project. Long-term advisors have made contributions in the areas of tax reform, government budgetary and accounting procedures, and industrial policy liberalization. Currently, five long-term advisors are placed in participating GSDR ministries/agencies: two in the Somali Institute of Development Administration; one in the Ministry of Labor, Sports and Social Affairs; one in the MOF&T; and one in the Ministry of Commerce.

In terms of academic training (MBA/MPA), Cohorts I and II (totalling 127 students) are now taking graduate degree courses, with Cohort III (110 students) engaged in the prerequisite Basic Management Training Program. Short-term technical training for public and private sector employees is being provided through the Worksite Management Training Unit (WMTU) which conducts workshops in such areas as accounting, financial analysis, computer skills, statistics and office procedures. WMTU has graduated over 300 students in 14 of these workshops. Additionally, selected workshop graduates are now involved in conducting their own training programs in their respective ministries/private organizations. For example, during the reporting period WMTU graduates within the MOF&T designed and conducted their own seminar on fiscal regulations and tax administration. Over 50 students attended the two-month seminar.

F. Private Sector

Target: Improved opportunities for growth and development of Somali private sector activities.

Progress: The PIP-financed advisor to the Ministry of Industry (MOI) helped orchestrate the first divestiture of a GSDR-owned enterprise, the Mogadishu Edible Oil Mill (see Mogadishu 10308). Similar work is underway to negotiate joint-ventures to revitalize the state-owned textile mill and the milk processing plant. The advisor continues to assist the MOI in standardizing the GSDR's investment code and has helped the newly formed Somali Industrial Manufacturers' Association to develop

its objectives, structure and operational guidelines. The LMHP will promote livestock exports (albeit at a lower level than originally planned due to the elimination of two of the three quarantine sections) by improving livestock health and constructing a quarantine facility. Additionally, progressively increasing proportions of food imported under the P.L. 480 program are being sold to the private sector; 75 percent in FY 1988; 80 percent in FY 1989; and 100 percent proposed for FY 1990.

The most important contribution to this target is the GSDR's commitment to the policy reform program already mentioned above. In the banking area, the GSDR approved a decree permitting the establishment of private foreign and domestic banks in Somalia. The draft legislation was approved by the Permanent Committee of the People's Assembly in early September 1989. In addition to the divestiture accomplishment mentioned above, in August 1989 the Ministry of Commerce issued the implementing regulations for the hides and skins liberalization law which was passed last February. Private traders are now permitted to engage in the domestic and export trade of both processed and unprocessed hides and skins.

The PIP Supplement approved last June linked the project more closely to GSDR implementation of the economic reform program. USAID's central concern is to continue to monitor GSDR policy performance and to work closely with GSDR ministries/officials in selected areas in which U.S. assistance can advance policy development and implementation. Section IV.B. of the PIP PIR provides the rationale for discontinuing the private sector management training component of PIP and for focusing project activities on supporting the reform process. With the recent program (ESF) and personnel cuts our major tools for continuing such efforts will be PIP's and P.L. 480 self-help measures.

G. Food Production and Exports

Target: Improved food production and export capabilities by Somali agricultural and livestock producers.

Progress: With the completion of the Bay Region Agricultural Development and the Central Rangelands Development projects, the Mission's major investment in increasing agricultural production was to be the Shebelli Water Management project. As already mentioned above and as discussed in this project's PIR, the project has been cancelled. Similarly, while the Livestock Marketing and Health project remains a priority activity supporting increased livestock exports, its potential contribution to the target has been much reduced with the cancellation of two of the three originally planned quarantine stations.

H. Refugees

Target: Integration of refugees into the Somali economy.

Progress: The Somalia Refugee Settlement Project (649-0104) is to develop and test viable alternatives to refugee camps which will enable refugees to become fully integrated and self-supporting residents of Somalia. The Mission conducted an interim evaluation in December 1988. The recommendations of the evaluation were incorporated into a PP Supplement which was approved in June 1989. It is expected that the changes made in the project design, described in the PIR, should encourage more PVOs to submit sub-project proposals. Continued fighting in northern Somalia, while making refugee settlement more difficult, may provide greater opportunities for repatriation. The U.S. Embassy has raised the idea of using some project funds to assist the UNHCR in implementing the Tripartite Agreement (see section III.D., Important Issues/Problems, of PIR for brief description of this agreement). No formal proposal on using project funds for this purpose has been developed.

I. Health

Target: Improved family health services.

Progress: The Family Health Services Project (640-0131) has been exceptionally successful in increasing awareness of family health issues in Somalia. The PIR provides a summary of the April 1989 evaluation of the project. Notwithstanding its success, the evaluation concluded that additional time was needed to further strengthen institutional linkages and service delivery as well as to continue efforts to increase awareness of family planning issues. Based on the evaluation results, a PP Supplement was approved on November 7, 1989, which extends the project by twenty-nine months and increases LOP funding by \$610,000.

PROJECT IMPLEMENTATION REPORT
(April 1, 1989 - September 30, 1989)

I. ADMINISTRATIVE INFORMATION

Country:	Somalia
Project Title:	Family Health Services (FHS)
Project Number:	649-0131
Date of Report:	October 15, 1989
Implementing Agencies:	Ministry of Health (MOH) Ministry of National Planning (MONP) Ministry of Education (ME) Institute of Women's Education (IWE) Curriculum Development Center (CDC) Somali Women's Democratic Organization (SWDO) Somali Family Health Care Association (SFHCA)
Major Contractors/Amounts:	University Research Corporation (URC) (\$4,849,240) Bureau of Census (\$189,754) Population Reference Bureau's Innovative Materials for Population Action (IMPACT) (\$190,655)
Field Backstop Officer:	Farah A. Khayre, PPSD
AID/W Backstop Officer:	Peter Feiden, AFR/PD/EA
Date of Last Evaluation:	3/89
Date of Next Evaluation:	N/A
Waivers Processed during the Reporting Period:	None

II. FINANCIAL DATA (\$000)

Date of Authorization:	7/8/84
Authorized LOP:	\$10,100
Date of Initial Obligation:	8/26/84
PACD:	6/30/89 (original) 12/31/89 (revised)
Cumulative Obligations:	\$10,100
Cumulative Commitments:	\$ 8,227
Cumulative Accrued Expenditures:	\$ 7,669

Estimated Cost of Inputs:

<u>Input Category</u>	<u>Estimated Cost</u>
Technical Assistance	\$ 5,320
Training	530
Commodities	<u>4,250</u>
Total	\$10,100

III. PERFORMANCE INFORMATION

A. Project Purpose:

To strengthen the capabilities of Somali institutions to promote, support, coordinate and sustain family health programs. These programs include: the collection and analysis of demographic data; Information, Education, Communication (IEC) activities; delivery of clinical services; and the conduct of operations research. Each of these programs constitutes a component of the Project.

B. Progress Toward Meeting End of Project Status:

In April 1989 the Mission completed an evaluation of the FHS project. The evaluation concluded that the project had been very successful in increasing awareness of family health issues. Political and religious leaders and other target audiences increasingly recognized the need for improved health for mothers and children. Institutional strengthening had taken place through the establishment of a mainframe computer facility at the Ministry of National Planning, the training of personnel in the six participating institutions, and the upgrading of facilities in the participating institutions. Family health messages had reached increasing numbers of people through materials and textbooks produced by the project, through community level IEC programs in breastfeeding, child-spacing and female circumcision, and through other outreach programs. Project supported studies as well as support for the 1986 National Census had expanded the demographic data base available to policy-makers and program planners. One particularly noteworthy accomplishment was the project's impact on public knowledge of the dangers and hazards of female circumcision as it affects the health of mothers.

The evaluation also concluded, however, that particular aspects of the project had made less-than-expected progress. While coordination among participating institutions had been good, there was a need for greater integration of service delivery and IEC activities. The evaluation concluded that additional time was needed to improve institutional linkages, strengthen service delivery so that it keeps pace with IEC, and continue efforts to increase awareness of family planning issues.

Based on these additional requirements, a PP Supplement is being prepared which will be completed in early November 1989. It is envisaged that PP Supplement activities will require an extension of the PACD by approximately twenty-nine months and an increase in LOP funding of approximately \$610,000.

1) Increased IEC programs supporting family health programs.

The health education books for grades 1-6 were published by the State Printing Agency through a contract with a local private sector publisher. The firm monitored all daily activities of the printing, and ensured a quality product and adherence to the schedule for deliverables. The job was completed on time and within cost even though there was a period of about three weeks without electricity.

An IEC campaign was conducted in Bondhere District of Mogadishu where 300 Deris and community leaders were trained in family health messages. The leaders in turn conducted neighborhood forums in clusters of 50 households in the district. This was the first time the Ministry of Health and, in particular the MCH clinic located in that district, coordinated closely with IEC campaigns. A total of 7,500 households were involved.

Approximately 2000 women in 20 villages in the project's five regions (Banadir, Lower Shebelli, Middle Shebelli, Bay and Lower Jubba) received training from the Institute of Womens Education's outreach program. Family health/family planning messages were disseminated and discussed.

The Curriculum Development Center completed the English language health education text for grades 7-8, and the manuscript is now being formatted for printing. Also during the reporting period, the following were completed: a) secondary school syllabus, b) draft of the text for grades 11-12, and c) an outline of the text for grades 9-10. Somali translations will occur in the next few months.

2) Family health services personnel have greater effectiveness in motivating couples to adopt family health practices.

Contraceptive supplies ordered earlier in the year arrived. The "Family Health/Family Planning Policy and Procedures Manual", however, is still under development but should be completed by next quarter. The Medical Advisory Committee has met three times and has approved the manual guidelines for oral contraceptives and IUDs; guidelines for the remaining contraceptive methods are now being reviewed. The standardized FH/FP curriculum for training health personnel is nearly completed. It will be used to train the tutors at the Post Basic School of Nursing. A FH/FP Resource Manual for health personnel is under development. A four-day workshop on vaginitis management was completed in late July involving 40 participants.

3) Clinical Family Health services of the Ministry of Health will be upgraded and extended.

New daily registers were printed and distributed to all 100 MCH centers.

Monitoring and distribution of contraceptives has been hampered in some regions due to security restrictions. Nevertheless, representatives from those regions affected and needing more contraceptives have been coming to Mogadishu to collect them.

Quarterly MOH meetings with staff from such offices as MCH, EPI (Expanded Program on Immunization), and Nutrition and Primary Health Care have taken place and are well attended. These meetings help in coordinating training schedules and implementing workplans. A Family Planning Service Providers Committee was formed to coordinate activities between the MOH and the Somali Family Health Care Association. This has proved to be very effective in avoiding redundancy and in maximizing limited resources.

4) Family health programs will be guided by an effective operational research program.

Data collected on the Benadir Hospital referral system has not been analyzed as expected because the principal investigator, who is the Deputy Director of the MCH Division at the MOH, has assumed additional responsibilities. The analysis is now underway and a final report should be produced next quarter.

The Islamic Source Manual was completed, but it could not be pre-tested. Pre-testing is re-scheduled for November.

For further information under this component see page 5, Operations Research.

5) Central Statistics Department. In this reporting period, data entry for the settled population (45% of the Somali population) was completed and editing started. Initial screening and data entry for the nomadic population (55% of the Somali population) was started. Also in this reporting period a census tabulation plan was prepared. On the training side, 40 computer staff were trained on software use and programs.

On September 5, 1989, a computer maintenance contract with CALWANG was amended to allow five more months of maintenance for the Central Statistics Department Computer Center.

C. Project Output Status Summary

Major Output Targets

Status

FH Education:

Health education textbooks for grades 7-8 are written and now being formatted for printing.

English draft of the secondary school syllabus was completed. An English draft of the books for grades 11-12 was completed but requires translating. The draft English outline for grades 9-10 was completed.

Although Teachers Guides for grades 5-6 were completed, the final camera-ready copy will be prepared in June 1990.

IEC Training:

Three persons from 20 villages in the five project regions were trained in FH messages. They, in turn, disseminated the information to over 2000 women.

SWDO trained 300 Deris and community leaders in Bondhere District of Mogadishu. The leaders then gave informal educational discussions to approximately 7,500 families living in that district. The topics discussed were child-spacing, breastfeeding and female circumcision.

IEC Materials Developed:

An IEC Resource Manual was developed. It needs editing, then to be printed.

Three chapters of a circumcision novellette have been drafted. It needs translating and testing before printing in June 1990.

The Daryeel news letter (quarterly information letter on FH/FP activities) was printed and distributed to Government agencies and private organizations.

Materials for the breastfeeding campaign have been prepared and will be printed during the fourth quarter. They include a facts booklet, a photonovella and two brochures. The breastfeeding stickers printed outside of the country arrived.

Pamphlets on IUDs and spermicides have been written and disseminated to medical staff.

Several articles were written for the "October Star" (daily Somali newspaper) on family health.

Expansion of FH Services:

250,000 condoms and 5,000 cycles of low-dose oral contraceptives were delivered to FHS service providers in the MOH and private clinics). An additional 14,000 condoms were made available from WHO.

The FH/FP Policy and Procedures Manual is in process of development. IUD and oral contraceptive guidelines were approved by the Medical Advisory Committee.

The curriculum in FH/FP has been developed and will be tested on tutors of the Post-Basic School of Nursing in October.

A FH/FP Resource Manual for health personnel is in process and should be completed in February.

A four-day workshop on vaginitis treatment management was conducted in Benadir Hospital. Six nurses were trained on the use of the microscope.

Renovation of the FH/FP office is nearly complete except for security bars on the windows. Furniture was purchased.

Daily registers for the MCH clinics were printed and distributed.

The Islamic Source Manual was completed and translated into Arabic.

Operations Research:

An evaluation of previous radio programs was completed in preparation for new radio programming scheduled for early 1990.

The pharmacy audit report was written. It provides an assessment of private sector involvement in contraceptive distribution.

Population Census:

A preliminary survey plan was developed to assess knowledge, attitude and practice of contraceptives and female circumcision.

1988 baseline data on health service statistics was tabulated.

Settled population data entry completed and nomadic population data entry started.

D. Important Issues/Problems:

1. An issue identified in the previous PIR was the future of FHS after the 12/31/89 PACD. The Mission is now preparing a PP Supplement authorizing a project extension for approximately twenty-nine months and requiring an estimated increase in LOP funding of \$610,000.
2. The FH/FP Division has been leaderless for many weeks off and on during the last three months. The Director, Dr. Rukiya Seif went to Nairobi for medical care, and she was replaced by Dr. Warsami, the former President of Benadir Hospital and President of the Somali Family Health Care Association. He has been out of the country twice and has not appointed an Acting Director. The Deputy Director, Dr. Asha Mohamed, has been in the United

States since April. Amazingly, the long-term nurse-educator, Linda Andrews, has continued her work with her counterpart who is the chief nurse trainer. The absence of a decision-maker has affected administrative matters such as vehicle distribution, supervision and monitoring in Mogadishu, workplans and budget development.

3. A container of spare parts for the project has been held at the port for over four months. This has resulted in three jeeps being totally out of service. This problem is part of a larger clearance problem for the U.S.G. with the Ministry of Foreign Affairs. Senior U.S. Embassy officials have been engaged and we expect that the commodities will be released in early November 1989.
4. There have been some budget constraints due to a decrease in the local currency from counterpart generations (DDD). A few activities had to be postponed to 1990. The biggest handicap, however, was the delay in the release of quarterly funds. For example, the third quarter monies were released in early September. While the Mission has intensified its pro-active role in the DDD budget and disbursement process, the problem is partly a result of the scarcity of local currency generations. Implementing agencies will be asked to assume a larger portion of recurrent costs from their operating budgets in the future.
5. A KAP survey is planned (included in PP Supplement) to help evaluate the project's effect on improving family health conditions in Somalia (see State 203674).
6. The U.S.G. decision to reduce U.S. presence in Somalia has required that one of the two long-term positions under the project not be extended under the proposed project extension. The effected position is the nurse-trainer. To partially compensate for the loss of this long-term position the PP Supplement will provide short-term technical assistance in the area of nurse training.

E. Important Actions over the next six months:

<u>Action</u>	<u>Time Frame</u>	<u>Action Agent</u>
-Extend URC contract by 4 months.	Oct	USAID
-Authorize PP Supplement.	Nov	USAID
-PIL to GSDR to revise Annex I and extend PACD.	Oct	USAID
-CBD notice published for institutional contractor.	Nov	USAID
-Release of spare parts from port	Nov	USAID
-PIO/T for institutional contractor prepared.	Nov	USAID

-RFP for new project contractor issued.	Nov	USAID
-Develop PIO/T for TA for KAP.	Dec	USAID
-Video-tape 1 1/2 hour drama on breastfeeding (scheduled previously but postponed due to other commitments of the theatrical group).	Dec	URC
-Field test Islamic Source Manual and print.	Dec	GSDR IMPACT
-Implement new FH committee structure.	Dec	GSDR/URC
-Obtain approval for KAP plan.	Dec	GSDR
-Develop a regional strategy and TA plan. This was postponed because of the change in directors at the FH/FP Division.)	Dec	URC
-Conduct first meeting of Policy Coordinating Committee.	Dec	GSDR
-Conduct breastfeeding campaign.	Dec	GSDR
-Finalize camera-ready copy of textbooks for grades 7-8.	Dec	GSDR
-Develop computer and site maintenance requirement report.	Dec	USAID/MONP
-Initiate operation of CDC printing press	Dec	GSDR
-Submit final scope of work for KAP.	Jan	GSDR
-Revise out-of-country training and study tour plan.	Feb	URC
-Complete nomadic population data entry.	Feb	MONP
-Submit plan for sustainability of participating institutions.	Feb	URC
-Start nomadic population data editing.	Mar	MONP

-Complete and print FH curriculum for the School of Nursing.	Mar	GSDR/URC
-Complete and print Policies and Procedures Manual.	Mar	GSDR/URC
-Submit plan for renovation of clinic demonstration sites.	Mar	GSDR/URC
-Submit plan for distribution of medical equipment.	Mar	GSDR/URC

IV. SPECIAL INFORMATION FOR THIS REPORTING PERIOD

Pipeline Analysis: Out of cumulative obligation of \$10,100,000, \$7,669,630 has been expended (76%), the balance of \$2,430,370 is in the pipeline. Elapsed Time is 95%.

PROJECT IMPLEMENTATION REPORT
(April 1, 1989 - September 30, 1989)

I. ADMINISTRATIVE INFORMATION

Country:	Somalia
Project Title:	Somalia Management Training and Development (SOMTAD) Project
Project Number:	649-0119
Date of Report:	October 15, 1989
Implementing Agency:	Ministry of Labor and Sports (MOLS)
Major Contractors/Amounts:	Academy for Educational Development, Inc. (AED), (\$12,164,718); Somali Shillings 47,300,000). Major subcontractors are: New York State University (SUNY), Albany; Creative Associates, Inc. (CAI); Arthur D. Little, Inc. (ADL) U.S. Information Service (USIS), PASA, (\$990,000; Somali Shillings equiv. \$181,000) - closed Dr. Stanley Andrews, PSC - closed Original - \$187,527 Amendment No. 1 - increased \$22,790.00 Amendment No. 2 - increased \$10,922.45 SCANTEC Computers - \$342,063
Field Backstop Officer:	Adolph Y. Wilburn, HRDO/PPSD
AID/W Backstop Officer:	Peter Feiden, AFR/PD/EAP
Date of Last Evaluation:	4/15/88
Date of Next Evaluation:	3/90
Waivers Processed During the Reporting Period:	None

II. FINANCIAL DATA (\$000)

Date of Authorization:	6/30/85
Authorized LOP:	\$18,500 U.S. \$ 6,900 GSDR
Date of Initial Obligation:	6/30/85
PACD:	12/31/92
Cumulative Obligation:	\$14,730
Cumulative Commitments:	\$8,180
Cumulative Accrued Expenditures:	\$5,918

Estimated Cost of Inputs:

<u>Input Category</u>	<u>Estimated Cost</u>
Technical Assistance	\$10,830
Training	1,246
Commodities	2,294
Operational Support	1,935
Evaluation	250
Other Costs	<u>1,945</u>
Total	\$18,500

III. PERFORMANCE INFORMATION

A. Project Purpose:

The SOMTAD Project is intended to (a) increase the ability of the Government of the Somali Democratic Republic (GSDR) and the private sector to plan and carry out development and economic activities efficiently; and (b) institutionalize a Somali capacity to identify and meet public and private sector training needs.

During the reporting period a PP Supplement was approved to implement a series of actions based on the evaluation of May 1988 as well as experience subsequent to the evaluation. These actions included: (a) expansion of programming for in-country and third-country short courses in management training for GSDR counterparts; (b) increasing the number of long-term Ministry advisors and providing increased short-term T.A., particularly for the Worksite Management Training Unit (WMTU) and graduate degree program instructors; (c) increasing library development resources for SIDAM; and (d) provision of a full-time manager for the WMTU. As described in Section D.1. below, the decision to reduce U.S. presence in Somalia and the severe scarcity of local currency mean that several of the Supplement recommendations cannot now be implemented.

B. Progress Toward Meeting End of Project Status:

General Comment

Substantial progress has been made in the project. Long-term advisors have made contributions in the areas of tax reform,

government budgetary and accounting procedures and industrial policy liberalization. Under the English language component, some 240 students have received training of which more than 150 have attained a TOEFL score of 550 or better. Cohorts I and II (totalling 127 students) of the MBA/MPA program are now taking MPA/MBA courses, with Cohort III (110 students) engaged in the Basic Management Training Program. The WMTU has conducted 14 workshops graduating over 300 students. The WMTU has begun training a cadre of Somali management trainers to carry out management training in their ministries, parastatals and private firms.

1. Increased GSDR capacity to plan and manage its development. Five long-term technical personnel are currently placed in participating GSDR agencies: Somali Institute of Development Administration (SIDAM) (2); Ministry of Labor, Sports and Social Affairs (MLSSA) (1); Ministry of Finance and Treasury (1); and Ministry of Commerce (1). The contractor's Chief of Party, who is also the advisor to the MLSSA worked on the development of data and personnel management practices for the Ministry and contributed to a report on the next steps for civil service reform. During the last quarter several meetings were held by this long-term advisor with Ministry officials to provide guidance and recommendations to re-initiate actions in the stalled civil service reform program. The above-mentioned report is currently under review by Ministry officials and is intended as a guide to assist the GSDR in determining a course of action for civil service reform as required under the three-year Policy Framework Paper (PFP).

The Advisor to the Ministry of Commerce arrived on July 15, 1989. To date he has concentrated his activities on:

- preparing a trade brochure designed to assist trade promotion efforts;
- preparing a concept paper to address issues related to promoting export products and recommending creation of a task force to examine the question of export trade problems of Somalia;
- preparing a concept paper to address the problems created by lack of a national bureau of standards and recommending a feasibility study to determine the cost and benefits of creating one; and
- preparing a concept paper to recommend actions to determine formally the relative responsibilities of both the Ministry of Commerce and the Somali Chamber of Commerce in order to work cooperatively to help promote exports.

The Advisor to the Ministry of Finance and Treasury assisted the GSDR in responding to requests from visiting donor organizations, such as the World Bank and the IMF. Having prepared and developed a 20-year summary of budget receipts, expenditures, etc., he provided assistance to the visiting teams in analysis/reconciliation/reclassification and utilization of the computerized data recently compiled. The Advisor also developed a proposal for in-service training workshops, as an outgrowth of earlier developmental courses presented in the Worksite Management Training Unit (WMTU) workshops. The second advisor at MOFT, working at the Treasury, ended his assignment. He was not replaced.

The long-term Advisor to the President of SIDAM and SIDAM Librarian developed a SIDAM management plan to transfer the physical custody of library books and reference materials purchased by the SOMETAD project for SIDAM. This plan was approved by SIDAM. Additionally, the advisor began development of a library research data base to allow SOMETAD students to gain practical experience using bibliographic data base search techniques.

The Deputy Chief of Party (DCOP) at SIDAM, in addition to the normal activities required in the administration of the graduate degree program, has been involved in:

- advising SIDAM on how the computer laboratory should be managed when it becomes operational;
- advising the president of SIDAM on curriculum revisions to the two-year accounting program, on management of the ILO computer facility, on review of training proposals from the UNDP and ILO, and on the establishment of a student reading room at SIDAM; and
- coordinating with the Language Development Specialist on such matters as administration for TOEFL examinations and support services.

2. Increased efficiency in private sector operations. At USAID direction, AED in-country staff were asked to make every effort possible to recruit and place private sector people in WMTU training programs. In response, AED and WMTU staff actively contacted private firms in Mogadishu. Discussions are currently in progress between the Somali Chamber of Commerce and the COP to stimulate further interest from businessmen in WMTU workshops in management training. WMTU has provided, and will continue to provide, short-course training in such areas as accounting, financial analysis, computer skills, statistics, office procedures, and communications, which are open to both public and private institutions. Review of ADL's past and projected activities regarding management training for the private sector is underway to determine how best to broaden private sector participation in the project.

Detailed plans for design and delivery of WMTU courses and workshops for both public and private sectors were developed by participating Somali institutions with CAI consultants. If local currency budgetary issues can be resolved, these courses should be implemented during the next reporting period.

3. Develop an institutionalized capacity to meet ongoing management training needs.

The second cycle for the "Training of Trainers" (TOT) was conducted on August 15, 1989, with seven co-trainers from the first cycle; 36 students participated, 10 of whom were female. The graduates of the two cycles will be the core resources for Somali institutions as they develop an internal capability to identify and address the training needs of the public and private sectors. They will be the ones principally responsible for expanding the outreach of WMTU programs.

During this reporting period, WMTU graduates within the MOFT designed and conducted their own seminar on Fiscal Regulations and Tax Administration. Over 50 students attended the two-month seminar taught by Somalis.

4. Increased capacity to gather, store, and analyze data. A plan was prepared for determining the number and type of materials that were needed for the SIDAM Learning Resource Center. Books, periodicals, and other reference materials have been ordered, delivered and catalogued. Thirty-eight (38) computers are now in Mogadishu, ready for placement in SIDAM and offices of long-term advisors. A computer coordination team is planning for computer installation upon completion of the computer building renovation in early November 1989.

C. Project Output Status:

<u>Major Output Targets</u>	<u>Status</u>
1. Improved administrative procedures in participating ministries.	Same as III.1. above.
2. MBA/MPA program instituted at SIDAM.	Fifty-one students in Cohort I continued study in the graduate MPA/MBA program; 76 Cohort II students began study in the graduate program; and 110 Cohort III students continued English

Language Training. Preliminary planning began for the student study trips to the U.S. now delayed until August 1990. So far about 10% of MBA/MPA students are women.

3. Effective WMTU instituted. Cycle II of WMTU was conducted during the third quarter of 1989 with CAI training specialists. Cycle II is a three-stage process, beginning with a management skills workshop. Following the workshop each participant was required to a) complete a job-related practicum, and b) lead a TOT workshop for his sponsoring Somali organization. The latest TOT workshop was conducted during August-September, 1989, with 36 participants, 10 of whom were female.

D. Important Issues/Problems:

1. Due to the decision to reduce the U.S. presence in Somalia as well as concerns about the availability of adequate amounts of local currency, i.e. the GSDR's contribution to the project, AID determined in late August not to fill vacant long-term advisor positions and to limit the total number of professors on TDY from SUNY/Alabany to no more than six at any one time in country. Currently, long-term vacancies exist at the Ministries of National Planning; Industry; Interior; Labor, Sports and Social Affairs; and Treasury. Consultancies by short-term U.S. advisors will be reviewed on a case-by-case basis. The long-term WMTU advisor position, proposed in the PP Supplement, will also be abolished.

Effects of these decisions on the project will be to accelerate the transition to GSDR support of SOMTAD activities. At the same time, however, the lack of ESF-generated local currency for co-teachers and other project elements makes the project totally dependent on extremely scarce GSDR general revenues and diminishes AID control over shilling expenditures.

Additionally, the reduction in technical assistance is likely to affect achievement of project objectives as well as the level of dollar funding required for the project. These issues will be analyzed in a project assessment and financial review. The framework for this review will be completed in November. The review itself will be carried out by Mission staff and completed in January, possibly with TDY assistance.

SOMTAD success now depends on GSDR commitment to a fuller partnership at a time of heightened austerity. Finally, severe economic problems confronting this country make it highly unlikely that the MPA/MBA program can continue after this SOMTAD project ends. Somalia is in no position to sustain this element of the project. Replicability or long-term institutional self-reliance is still a long way off for SIDAM.

2. A lack of Somali teaching counterparts (co-teachers) at SIDAM may adversely affect the MBA/MPA program. Lack of teaching counterparts springs from the general scarcity of qualified personnel, the low salary for qualified personnel, and the inconvenience of teaching SIDAM's evening/night classes.
3. There will be a nine-month delay in starting the academic quarter to be held in SUNY/Albany. This is largely due to delays in selecting the institutional contractor which resulted in the Chief of Party not arriving in country until March 1987 - approximately 21 months after the project was authorized on June 30, 1985. In the PP Supplement, the project's implementation schedule has been revised to account for this delay. Notwithstanding the late start and the above mentioned problem relating to difficulties in hiring qualified Somali professors as co-teachers, most SOMTAD participants in the MPA/MBA program are making orderly progress toward their degrees. While it is too early to say that they will have the intended impact on public and private sector management, their current behavior is consistent with that goal.
4. To solve the problem of inadequate library facilities which was reported in the last PIR, USAID/Somalia funded from its dollar resources renovation of the SIDAM computer laboratory and library space. This was originally agreed to be a GSDR responsibility. Renovation is to be completed by the end of October 1989. A substantial number of books have been procured, delivered and catalogued.
5. Computer installation has been delayed. Computer installation at SIDAM is contingent upon the completed renovation of the computer building and AID acceptance of SIDAM's proposal on how to manage and operate the computer center. Renovation work will be finished in early November. A USAID-approved management and operational plan should be in place by the end of November. Computer furniture now in the port should be out of customs in November 1989.

E. Important Actions Over the Next Six Months:

<u>Action</u>	<u>Time Frame</u>	<u>Action Agent</u>
-Advise MOFT regarding USAID plans if LC support is not forthcoming.	Nov	USAID/GSDR
-Complete renovation of SIDAM computer facility.	Nov	GSDR/USAID
-Develop computer center management procedures.	Nov	SIDAM/AED
-Release of computer furniture from customs.	Nov	USAID
-Inventory check list of computer and computer accessories.	Nov	USAID
-Execute AED contract amendment to commit more funds.	Nov	USAID
-Prepare framework for Mission Project Assessment and Financial Review.	Nov	USAID
-Install computer equipment.	Nov/Dec	USAID, GSDR
-Resolve SIDAM Somali professor recruitment issue.	Jan	SIDAM
-WMTU Cycle III workshop (General Management Development).	Jan	AED
-Complete Mission Assessment and Financial Review.	Jan	USAID
-WMTU Cycle III workshop (Trainers of Trainers).	Mar	AED
-Negotiate a contract amendment to cover activities per PP Supplement consistent with Mission Assessment results and D.1 above, as appropriate.	May	USAID
-Recruit and assign a new COP.	Dec/Jan	AED

IV. SPECIAL INFORMATION FOR THIS REPORTING PERIOD

Pipeline Analysis:

<u>Component</u>	<u>Obligation to date</u>	<u>Committed</u>	<u>Accrued Expenditures</u>	<u>Pipeline</u>
Technical Assistance	\$9,600,000	\$5,392,082	\$3,872,269	\$5,727,731
Training	1,180,000	344,645	337,507	842,493
Commodities	2,000,000	1,699,167	1,245,075	754,925
Operational Support	1,400,000	744,247	462,921	937,079
Evaluation	250,000	-0-	-0-	250,000
Other Costs	300,000	-0-	-0-	300,000
Total	\$14,730,000	\$8,180,141	\$5,917,772	\$8,812,228

Project is 32% expended compared to an authorized level of \$18.5 million. Lapsed project time is almost 60%. Disbursement pace will pick-up in FY 90 and FY 91 when 210 trainees go to the U.S. for four-month segment of graduate program. However, limitations placed on the numbers of advisors/professors allowed in Somalia will partially offset this increase (See Section D.1. above).

The Project Assessment and Financial Review scheduled for completion in January 1990 will determine what project design and fiscal (LOP funding, obligation and/or deobligation) modifications may be called for due to the reduction in U.S. presence in Somalia.

PROJECT IMPLEMENTATION REPORT
(April 1, 1989-September 30, 1989)

I. ADMINISTRATIVE INFORMATION

Country:	Somalia
Project Title:	Policy Initiatives and Privatization (PIP)
Project Number:	649-0132
Date of Report:	October 15, 1989
Implementing Agencies:	Ministry of National Planning (MONP) Ministry of Finance and Treasury (MOFT) Ministry of Industry (MOI)
Major Contractors/Amounts:	TIPCO, Inc. (\$431,719) - concluded ISTI (\$781,699) - concluded J.Beckwith PSC (\$114,268) concluded C.Thomas PSC (\$107,326) F.Cajthmal PSC (\$138,485)
Field Backstop Officer:	Gary Bricker, PPSD
AID/W Backstop Officer:	Peter Feiden, AFR/PD/EAP
Date of Last Evaluation:	06/88
Date of Next Evaluation:	11/91
Waivers Processed During the Reporting Period:	\$1,000 computer part

II. FINANCIAL DATA (\$000)

Date of Authorization:	9/28/83 (Original) 8/25/86 (Amended) 6/05/89 (Amended)
Authorized LOP:	\$10,045
Date of Initial Obligation:	9/29/83
PACD:	3/31/87 (Original) 9/30/90 (Revised)
Cumulative Obligation:	\$8,045
Cumulative Commitments:	\$5,330
Cumulative Accrued Expenditures:	\$4,961
Estimated Cost of Inputs:	

<u>Input Category</u>	<u>Estimated Cost</u>
Long-Term Technical Assistance	\$ 7,276
FSU Operational Support	945
Training	730
Studies	395
Evaluation/Audit	150
Contingency	<u>549</u>
Total	\$10,045

III. PERFORMANCE INFORMATION

A. Project Purpose:

To improve the economic climate of Somalia by: 1) supporting the development and implementation of improved economic policies; 2) identifying and testing ways and means of promoting private sector participation in the economy; and 3) improving the GSDR budgeting and revenue collection systems.

B. Progress Toward Meeting End of Project Status:

The following describes progress during the reporting period. For a longer-term perspective see the previous PIR.

1. Modified economic policies resulting in improved environment for increased investment and output.

After very successfully implementing the six-month structural adjustment measures contained in an IMF Letter of Intent (LOI) covering the latter part of 1988, the GSDR and the IMF signed a second LOI in March 1989. This LOI set out the macro-economic policy program for the remainder of 1989 which was intended to form the basis for a full-fledged IMF-monitored program upon resolution of Somalia's arrears problem with the IMF. At the same time the GSDR, IMF and the IBRD agreed upon a comprehensive, three-year, medium-term program for structural adjustment contained in a Policy Framework Paper. Given the substantial reform momentum in place, a PP Supplement was prepared and approved on June 5, 1989 which focussed on assisting the GSDR implement the reform agenda. USAID's latest report on the status of implementation of macro-economic reforms is Mogadishu 10867 of September 27, 1989.

While it is expected that the IMF and IBRD will continue their leadership roles in negotiating and supporting policy reform, PIP activities will complement this role by helping the GSDR to implement agreed upon reforms and by increasing GSDR and private sector understanding of the policy reform process. With this revised focus, the project's earlier direct training program for the private sector provided by TIPCO was discontinued after expiration of the TIPCO contract at the end of May 1989. Implementation of PP Supplement activities requires two more years to September 1992 and an increase in LOP funding of \$3.045 million.

Of particular interest during the reporting period was the establishment of a committee within the MOI to coordinate with an essentially private organization interested in buying state-owned enterprises (see section C.1.). As pointed out in

section B.2. below, one GSDR enterprise was divested during the reporting period. Also noteworthy was the drafting and GSDR approval of a comprehensive new banking law which lays out the operational requirements for private banking in Somalia (see output target on private banking, section C.4.).

Studies completed under PIP, including those on cotton, rice and fertilizer production, and rural-urban economic exchanges in the Kismayo region provide important information relevant to a range of policy issues that affect the private sector and economic reform. The study on rural-urban exchanges provided information on economic and institutional arrangements that are part of the livestock trading system in the lower Juba region of Somalia as well as data useful in assessing the impact of reform on vulnerable groups. This report has been particularly useful to USAID staff in the carrying out an export competitiveness study which has been shared with the IBRD, other donors, and the GSDR to assess the impact of foreign exchange adjustments on the profitability of livestock exports.

2. Expanded dialogue between GSDR and the private sector on economic issues. Building on earlier work, the PIP-financed MOI advisor helped orchestrate the first divestiture of a GSDR-owned state enterprise, the Mogadishu Edible Oil Mill, now under majority ownership (51 percent) and management of a Belgian firm (see Mogadishu 10308). Similar work is underway to negotiate joint-ventures to revitalize the state-owned textile mill and milk processing plant. The advisor continues to provide input, principally to the MOI, on standardizing the Government's investment code. In September a delegation of public and private sector individuals traveled to Washington, D.C., to participate in a privatization studies seminar. They also were to meet with potential U.S. investors in Somalia. USAID/Somalia and UNIDO have agreed to co-fund a public and private sector Somali delegation to attend the Preferential Trading Area Workshop in Kampala this October. The goal of the workshop is to improve/expand commercial ties among countries in the region.

PIP's MOI advisor provided assistance to the newly formed Somali Industrial Manufacturers' Association. He helped the organization develop a goal statement, objectives, structure and operations guidelines. Also, he helped the association clarify its positions on issues of concern, such as industrial taxation and customs and tariff duties. The advisor helped the Association examine industrial policies of other countries including the role played by similar organizations in these countries.

3. Better Budgeting Practices

The PIP-financed PSC long-term advisor to the MOFT's Domestic Development Department (DDD) arrived in June 1989 filling a position vacant since late CY 1987. He is assisting in the design of a new budgeting program in the DDD for implementation in 1990. He will also help the GSDR gather information on compliance with budget targets set in the 1989 shadow program with the IMF.

C. Project Output Status:

<u>Major Output Targets</u>	<u>Status</u>
1. Dialogue within GSDR and between GSDR and the private sector on economic and regulatory policy and procedures.	The GSDR Tax Reform Commission continued its work on assessing the need for, and impact of, modified tax policies and systematic revenue collection. A committee within MOI established to coordinate with private firms proposing to buy state-owned enterprises has been meeting with a predominately private sector group composed of representatives of livestock and commercial traders, manufacturers, and the Chamber of Commerce. The group has presented recommendations both to this Committee and the MOFT concerning identification and formulation of policies/regulations more supportive of private sector activities. The PIP advisor's position in the MOI has been revised to focus more sharply on working toward a policy and regulatory climate more supportive of the private sector. It was also converted from an institutional contract (ISTI) to a PSC.
2. Increase self-examination by the GSDR of appropriate economic policies and public institutions resulting from continuing policy dialogue between GSDR and USAID.	See section B.1. relating to progress on economic reform and Mogadishu 10867.

3. Revised budget procedures for MOFT development budget. The DDD advisor is introducing systematic budgeting accounting practices as they apply to the development budget. The DDD advisor, also under a PSC, arrived in June replacing an earlier PSC expert, Judy Beckwith, who terminated her contract 9/21/87.
4. Establishment of private sector banking. In February 1989 the GSDR approved a general decree permitting the establishment of foreign and domestic private banks in Somalia. Subsequently, the Central Bank drafted a comprehensive new banking law which lays out the specific operational requirements for private banking in Somalia. The draft legislation was reviewed by the IMF Central Banking Department and by the Bank of Italy. It was approved by the GSDR Council of Ministers in late August and submitted to the Permanent Committee of the People's Assembly where it was approved in early September.

D. Important Issues and Problems:

1. As PIP is now linked to GSDR implementation of its economic reform program, USAID's central concern is to continue to monitor GSDR policy performance and work closely with GSDR ministries/officials in selected areas where U.S. assistance can advance policy development and implementation. Aside from internal political considerations, achievement of the project purpose largely depends on the GSDR's maintaining its commitment to credible economic reform outlined in the Policy Framework Paper (PFP) and Letter of Intent (LOI). Policy dialogue with the GSDR on "staying the course" will be more tenuous with a lack of ESF balance of payments resources, declining bilateral P.L. 480 program levels, and severely reduced local currency resources for the GSDR budget.

E. Important Actions Over Next Six Months:

<u>Action</u>	<u>Time Frame</u>	<u>Action Agent</u>
-Six GSDR participants to Kampala PTA workshop	October	USAID/UNIDO
-Six GSDR participants return from Washington, D.C. privatization course	October	USAID
-Amend PROAG and PACD pursuant to 6/89 PP Supplement	November	USAID/GSDR
-Public expenditure review	November	USAID/GSDR/ IBRD

IV. SPECIAL INFORMATION FOR THIS REPORTING PERIOD

- A. Pipeline Analysis: Of the \$8,045,000 obligated to date \$4,960,573 has been expended with a pipeline of \$3,084,427. When compared to the authorized LOP of \$10,045,000 PIP has committed or reserved only \$5,451,406 equivalent to 54% of LOP while only three of the project's nine years remain.
- B. Para 7 of (89) State 203674 asked the Mission to discuss how PIP will be impacted by the lack of a private sector component. The Mission view is that an improved macro-economic and policy environment is critical to promoting private sector growth. While management training for the private sector is important, the benefits of such training has been greatly limited by Somalia's policy and regulatory environment. It is believed that the limited resources available to the project will most effectively be used by focussing on supporting the reform program. Additionally, the PIP project is now better structured to assist the GSDR in the implementation of the reform program and thereby to help it remain on the reform path.

In our contacts through PIP and the associated Somali Management Training and Development project we plan to help assure that the private sector benefits from policy reform. The continued financing of public and private training delegations is one component of this strategy as is USAID/Somalia's nurturing of the Somali Industrial Manufacturers' Association as an independent organization in contrast to the GSDR-controlled Somali Chamber of Commerce.

PROJECT IMPLEMENTATION REPORT
(April 1, 1989 - September 30, 1989)

I. ADMINISTRATIVE INFORMATION

Country:	Somalia
Project Title:	Shebelli Water Management Project (SWMP)
Project Number:	649-0129
Date of Report:	October 8, 1989
Implementing Agency:	Ministry of Agriculture (MOA)
Major Contractors/Amounts:	None
Sub-Contractors/Amounts:	Land Tenure Center (LTC) University of Wisconsin US \$225,000
Field Backstop Officer:	Dennis Sharma, ARD
AID/W Backstop Officer:	Peter Feiden, AFR/PD/EAP
Date of Last Evaluation and/or Audit:	None
Date of Next Evaluation and/or Audit:	N/A
Waivers Processed	None. Issued Decision and Finding Paper dated June 8, 1989, to procure one passenger bus from Geographic Code 935 countries under the DFA.

II. FINANCIAL DATA (\$000)

Date of Authorization:	August 28, 1987
Authorized LOP:	\$22,600
Date of Initial Obligation:	August 30, 1987
PACD:	5/31/94
Cumulative Obligation:	\$12,909
Cumulative Commitments:	\$5,386

<u>Input Category</u>	<u>Estimated Cost</u>
Technical Assistance	\$8,330
FSU Operational Support	1,327
Training	1,120
Commodities	3,276
Construction	7,092
Evaluation & Audit	250
Cont. & Inflation	<u>1,205</u>
TOTAL	\$22,600

III. PERFORMANCE INFORMATION

A. Project Purpose:

To assist Somalia in laying the foundation for continued development of the Shebelle River Basin through improvement of basin-wide water management, adaptive irrigated agricultural research and rehabilitation of a portion of the Shalambod irrigation system on the Shebelle River.

B. Progress Toward Meeting End of Project Status:

In response to the RFP for technical assistance issued in September 1988, proposals from four offerors were received, and the technical evaluation of the proposals was completed. Based on this evaluation and evaluation of cost proposals by the Mission Contracting Officer, an institutional contract was awarded to Colorado State University (CSU) on July 2, 1989. However, heightened security concerns which arose shortly thereafter required that the contract with CSU be cancelled (see details in section D.1. below).

Other activities completed during the reporting period, prior to the decision to terminate the project, included procurement of a passenger bus and two photocopiers. A project vehicle from the Somali Refugee Settlement Project was transferred to the SWMP. PIO/Cs were processed for procuring four vehicles, furniture and appliances for the TA team. Two staff members from the Central Agricultural Research Station (CARS) completed the USDA Soil and Water Conservation and Management Course held at Utah State University from August 21 - September 1989. Houses for expatriates, the SWMP office in Mogadishu and the guest house in Merka were rented and westernized.

C. Project Output Status:

<u>Major Output Targets</u>	<u>Status</u>
1. Establishment of the Directorate of Irrigation and Land Use (DILU).	Department of Irrigation and Land Use was elevated to the status of Directorate of Irrigation and Land Use. A Director General was appointed, and five regional offices were established with a total of fifty staff.

2. Land registration in the project target area in Shalambood.

The Land Registration Advisor completed first phase of land tenure activity in June 1989. He proposed a low-cost land registration procedure which was approved both by USAID and the Ministry of Agriculture. A settlement-by-settlement campaign was completed for 38 small farmers and it is expected that registered land titles could be issued to these farmers including eight female household heads during October 1989.

Progress toward other outputs is not expected as the institutional contract has been terminated as explained in D. 1 below.

D. Important Issues/Problems:

1. **Project Cancellation:** Due to the heightened security concerns in Somalia and concerns over the size of the U.S. presence in Somalia, the decision was made in late August to cancel the project. The Mission could not guarantee safety for the TA team members in the project area (Shalambood) and bringing 11 new project personnel to Somalia would have meant a sizable addition to the presence of American personnel under A.I.D. auspices. The institutional contract with CSU was terminated on September 18, 1989. The final settlement is being worked out by the Mission Contracting Officer. The Land Registration Phase II activity, with the University of Wisconsin Land Tenure Center, was also cancelled. On September 18, 1989, the Mission informed the Ministry of Agriculture that pursuant to the SWMP Grant Agreement, Article D., Section D.1, the Shebelli Water Management Project would be terminated within 30 days from the date of that letter.

2. **Contracting Delays:** The project was one year and eight months behind schedule in the TA contracting due to the delay in the issuance of the RFP and required contractual procedures. To adjust for this the PACD was extended (in July 1989) to May 31, 1994.

3. **Local Currency Support for Activities in Shebelli River Basin:** To regulate water distribution and prevent flooding in the rainy season, maintenance of barrages and desilting of canals is the top priority of the Directorate of Irrigation and Land Use. The Mission will continue to support local currency allocations through the DDD to help finance these essential activities.

4. Land Administration Project: The Mission has proposed a Land Administration project in FY 91 which would help provide technical assistance and training necessary for the GSDR to define an equitable, efficient program of land administration, implement a revised land-use policy by drafting enabling legislation, establish improved land surveying and cadaster capabilities, and strengthen land registration and recording procedures.

5. Land Tenure: At present, 70% of the small farmers within the project area do not have registered title to their land. To help address this problem, the Land Registration Advisor proposed a low-cost method for land registration which was approved by MOA and USAID. To address land policy constraints, the Mission, in conformity with the IBRD Policy Framework Paper (PFP), completed a study of policy issues and recommended action plans. The proposed action plan for a land policy which hopefully will lead to the revision of the Land Law of 1973 by the end of 1990, was approved by the GSDR.

E. Important Actions Over the Next Six Months:

	<u>Action</u>	<u>Time Frame</u>	<u>Action Agent</u>
1.	Cancel PIO/Cs & PIO/Ts	October 89	USAID/CO
2.	Complete Project Termination Report	October 89	USAID/ARD
3.	Arrange for disposal of surplus commodities	November 89	USAID/ARD USAID/CMO

IV. SPECIAL INFORMATION FOR THIS REPORTING PERIOD

A. Pipeline Analysis:

<u>Component</u>	<u>Obligations to Date</u>	<u>Committed</u>	<u>Accrued Expenditures</u>	<u>Pipeline</u>
Tech Asst.	\$ 7,311,341	\$4,400,949	\$394,495	\$6,916,846
Training	800,000	209,631	118,311	681,689
Commodities	2,371,000	152,923	152,923	2,218,077
Construction	1,100,000	0	0	1,100,000
Operational				
Support	0	0	0	0
Evaluation/Audit	0	0	0	0
FSU	<u>1,327,000</u>	<u>622,875</u>	<u>45,184</u>	<u>1,281,816</u>
Total	\$12,909,341	\$5,386,378	\$710,913	\$12,198,428

B. Participant Training Plan: On June 6, 1988, a revised training plan was prepared and approved. USDA short-term training for 15 MOA counterparts was completed. Of these 15 trainees 13 returned to Somalia and have resumed their former positions within the Ministry of Agriculture. The whereabouts of the remaining two is unknown. Of the four long-term trainees who were sent to Utah State University for M.S. training, three completed their degree programs in September 1989. The fourth trainee will complete his degree requirements by December 1989 under IDA auspices. Of the three long-term training participants who completed the program, two returned to work on the project but the whereabouts of the third is unknown.

PROJECT IMPLEMENTATION REPORT
April 1 - September 30, 1989

I. ADMINISTRATIVE INFORMATION

Country: Somalia
Project Title: PVO Development Partners Project
Project Number: 649-0138
Date of Report: October 5, 1989
Implementing Agency: Ministry of Interior (MOI)
Major Contractors/Amounts: Experiment in International Living
(EIL) \$986,934
PVO Grants/Amounts: AMREF \$1,725,000
Africare \$3,240,000
CARE/Somalia \$1,200,000
Haqabtir \$116,000
OEF International \$1,468,000
Cooperative Housing Foundation \$1,482,725
Field Backstop Officer: M. Fuchs-Carsch/A. Ahmed
AID/W Backstop Officer: AFR/PD/EAP: Peter Feiden
Date of Last Evaluation: 3/89
Date of Next Evaluation: 6/92
Waivers Processed: 1 for CHF vehicles (2), \$49,000
1 for OEF vehicle, \$23,000
1 for Africare vehicle, \$30,000
1 for AMREF vehicles (2), \$48,000

II. FINANCIAL DATA (\$000)

Date of Authorization: 8/29/85
Authorized LOP: \$18,200
Date of Initial Obligation: 8/31/85
PACD: 7/30/92
Cumulative Obligation: \$18,200
Cumulative Accrued Expenditures \$5,271
Cumulative Commitments: \$8,740
Estimated Cost of Imputs:

<u>Input Category</u>	<u>Estimated Cost (\$000)</u>
Operational Program Grants (OPGs)	13,800
Community Action Grants (CAGs)	2,000
Technical Assistance	1,686
Commodities	322
Training and Evaluation	192
Field Support Unit	<u>200</u>
Total Estimated Cost	18,200

III. PERFORMANCE INFORMATION

A. Project Purpose: The project has two purposes: 1) to expand the programs of private and voluntary organizations (PVOs) in development sectors and areas consistent with AID and Government of Somalia Democratic Republic (GSDR) strategy and priorities; and 2) develop the capacity of Somalia non-governmental organizations (NGOs) and local groups to actively participate in the development process.

B. Progress Toward Meeting End of Project Status: Before the PVO Partners Development Project Agreement was signed, PVO activities were confined only to the refugee programs. After approximately four years of implementation, the project has succeeded in extending PVO activities in remote areas of the country. There has also been a significant increase in the number of indigenous PVOs. Through workshops and related training activities, the project has contributed to the establishment of more than 20 community groups interested in community development.

The Project Paper anticipated 2-3 OPGs funded each year. To date, 6 OPGs have been approved, and their progress is detailed in III.C. Grants for projects have been larger than anticipated, and following recommendations of the project evaluation the project will henceforth focus on implementation of existing grants and in development of Somali PVOs (SPVOs).

Two SPVOs (Horumarin and Al-Muntadhar) qualified for provisional registration this reporting period, and Horumarin has submitted a proposal for a CAG. Only one SPVO (Haqabtir) has received a grant due to the difficult A.I.D. and GSDR registration requirements.

C. Project Output Status

Major Output Target: U.S. and SPVOs assisting communities and local groups to plan, implement and manage local development projects.

Status: Seventy-six of 100 planned communities have identified needs and are currently participating in PVO project activities.

Major Output Target: PVOs better prepared to identify and work with Somali communities and local groups.

Status: Five of the 20 non-Somali USAID-registered PVOs anticipated in the Project Paper have received OPGs. One out of the projected 3-5 SPVOs has received an OPG. OPGs exist with AMREF, CARE/Somalia, Africare, OEF International, Cooperative Housing Foundation, and Haqabtir (a Somali PVO). This reporting period, the grant with CHF was signed, and the Proposal Review Group (PRG) again rejected a proposal submitted by VITA. Progress on specific projects is reported below.

Africare: A new project manager/civil engineer, a second civil engineer and a community development advisor began work on Africare's "Northeast Rural Initiatives Project" (3/31/87 - 3/30/91) in Ghardo in July. A USAID/MOI/MUST field visit done in September concluded that work is progressing well. Construction of the Africare compound and new office building are near completion. A new workplan for the civil works which eliminates major watercourse diversions and focuses on construction and rehabilitation of wells and water catchment basins was approved by USAID. Implementation of this workplan is on schedule. The community development work is also proceeding well using a new project approval procedure which enables small projects to be approved in the field or grouped into a package for funding.

AMREF: A review of AMREF's "Luug District Health Services and Primary Health Care Project" (3/26/87 - 3/25/90) in August concluded that the project was making excellent progress working with five communities and the local hospital in developing health care services for the area. However, in early September, all expatriates withdrew from Luug, including AMREF staff, because of civil unrest in the area. Reports are that the situation is improving, and AMREF has decided to return as soon as possible. AMREF has expressed interest in expanding project activities into an adjoining region, and is in the process of developing a proposal amendment for this purpose.

CARE/Somalia: In its "Rural Development Initiatives Project" (4/20/87 - 10/19/90) CARE is undertaking community development activities focusing on well and water point management and sanitation, small-scale irrigation rehabilitation, raft construction, and small-scale income generating activities in the Hiran Region. Work is proceeding well, and CARE has submitted a proposal to use money from its project in the Northwest, which was cancelled due to fighting in the area, to fund a no-cost extension of its Hiran project through 1992. Due to concerns over security in the Belet Weyne area, a planned workshop on Water and Sanitation for Health was cancelled. However, CARE personnel working in Belet Weyne remain in place and active.

Cooperative Housing Foundation: The grant for CHF's "Mogadishu Peripheral Areas Shelter and Services Improvement Project" (7/31/89 - 7/30/92) was signed. However, implementation was put on hold in late August due to the size of the U.S. presence in Somalia and the fact that CHF does not as yet have an established presence or any activities here outside the PVOP sub-grant.

Haqabtir: The Haqabtir "Intergrated Rural Development Project" (5/18/87 - 5/17/91) focuses on community development in Sool and Togdheer Regions in the North. The project is working on water catchment and well construction and rehabilitation and small agro-forestry activities. Project activities have been hampered because of security problems in the area, which have also delayed a much-needed field evaluation of the project. However, Haqabtir is continuing its program.

OEF International: The OEF "Small Enterprise Development Project" (9/23/87 - 9/22/90) plans to train rural women in the Baidoa area through the Somali Women's Democratic Organization and other local agencies working with women in farming and business. The project originally planned to do this training using an irrigated demonstration farm. However, when the plot allocated to the project was found to have unsuitable soil and water conditions, the project was redesigned to focus on training women on their own farms and in small business enterprises. The revised project proposal has been approved by the Proposal Review Group, but USAID has raised questions concerning a credit component of the project which must be resolved before the grant is amended.

Major Output Target: Ministry of Interior (MOI) personnel trained in monitoring and evaluation.

Status: The contract of the long-term advisor with the Experiment in International Living (EIL) ended during this reporting period. The MOI agreed in principle to extending the advisor an additional two years but objected to the cost. The Mission is now reviewing the mid-term evaluation of the project, and the role of MUST and EIL during the remainder of the project depends in part on the Mission's response to the evaluation's recommendation to increase assistance and training to SPVOs.

The director of the division in the MOI which is responsible for activities of the PVOP (the Department of Planning and Rural Development) was awarded a full-tuition scholarship for his M.A. at a U.S. university. The project will pay training costs other than tuition through the contract with EIL.

Major Output Target: PVOs, GSDR and USAID working together to improve and expand local development efforts.

Status: A mid-term evaluation conducted in April concluded that the project should focus on developing SPVOs and recommended expanding and strengthening MUST to train and assist the SPVOs. It also felt an "umbrella grant" to a U.S. PVO could provide funding through subgrants to SPVOs which had not yet met conditions for registration. The Mission is discussing what actions should be taken to best provide assistance to SPVOs.

D. Important Issues/Problems:

1. With the appointment of the new Minister, relations with the MOI are satisfactory. A new PSC PVO Coordinator has been hired to replace the direct-hire project officer who departed post in July, and a new director was appointed for MUST after the previous director left the project in September to take a better-paying job. The overall future role in the project of MUST (including salary levels for MUST staff) and of an EIL advisor are key issues now being discussed in the Mission as it prepares the Project Evaluation Summary.

2. Somali PVO (SPVO) participation in the project is still very limited. Present USAID registration procedures make SPVO registration extremely difficult, so SPVOs have difficulty securing direct funding under the project either through OPGs or CAGs. This is particularly so because most SPVOs are in the initial stages of development and have limited prior organizational experience with development activities. Consideration is being given to various options for developing the capability of SPVOs to carry out development projects, including establishing an "umbrella grant" to a U.S. PVO to award subgrants to SPVOs while providing technical assistance and management training.
3. Problems with security in the field have hampered implementation. Most acutely affected is AMREF, which was forced to withdraw its personnel from the Luug region for about a month in September. Other PVOs, including Africare, CARE and Haqabtir, who are not worried about the safety of their personnel in the field are concerned for their safety on the road to and from Mogadishu. Security problems have also made it impossible for USAID staff to make necessary field visits to projects. Trips were made to Baidoa and Gharo this period, and there is hope that further travel can be scheduled shortly either by air or by road.
4. Shortages of shillings (the actual physical currency) in the banks caused problems for some PVOs this reporting period. Banks in the regions are especially short of shillings, making it necessary for PVOs to carry large sums of money from Mogadishu to the projects, a possibly dangerous action in light of security problems and in light of the possibility of theft by PVO personnel.

CARE/Somalia also reported that they are not now allowed to access funds in their DDD account in the Commercial Bank of Somalia (CBS) and have been asked to transfer this account to the Central Bank of Somalia. However, they were told no new accounts can be opened at the Central Bank until the start of next year. They are now covering shilling expenses by exchanging project dollars, and the issue will be discussed with the Ministry of Finance and CBS.

E. Important Actions Over Next Six Months:

	<u>Action</u>	<u>Time Frame</u>	<u>Action Agent</u>
1.	Approve Project Evaluation Summary	Nov	USAID/MOI
2.	Decision on mechanism of providing assistance to SPVOs	Nov	USAID/MOI
3.	Amend EIL contract to extend long term advisor	Nov	USAID/MOI

<u>Action</u>	<u>Time Frame</u>	<u>Action Agent</u>
4. Decision whether to implement CHF grant	Oct/Nov	USAID
5. Approve proposal for no-cost project extension for CARE/Somalia	Nov	USAID/MOI
6. Approve waiver for purchase of non-US vehicles for Africare and AMREF	Nov/Dec	USAID
7. Assess AMREF situation on return to Luug and its proposed grant extension	Nov/Dec & Feb	USAID
8. Site visits for CARE/Somalia, Haqabtir, AMREF	Nov/Dec	USAID/MOI/MUST
9. Approve CAG for Horumarin	Dec	USAID/MOI
10. Review and approve OEF amendment proposal	Dec	USAID/MOI
11. Representation to GSDR on CARE banking problem	Dec	USAID/CARE
12. Review and approve proposal for additional funds for extension for Africare grant	Jan	PRG/USAID/MOI
13. Site visits for Africare, OEF, Horumarin	Jan/Feb	USAID/MUST/MOI
14. Non-federal audit for Africare, Haqabtir	Feb/Mar	USAID/RIG

IV. SPECIAL INFORMATION IN THIS REPORTING PERIOD

A. Pipeline Analysis:

<u>Elements</u>	<u>Obligated</u>	<u>Committed</u>	<u>Accrued Expenditures</u>	<u>Pipeline</u>
Operational Program				
Grants	13,800	7,407	4,388	9,412
Community Action				
Grants	2,000	-0-	-0-	2,000
Technical Assistance	1,686	984	672	1,014
Commodities	322	111	85	237
Training and Evaluation	192	182	106	86
Field Support Unit	<u>200</u>	<u>55</u>	<u>20</u>	<u>180</u>
Total	18,200	8,740	5,271	12,929

A large pipeline exists primarily because approval of OPGs and CAGs has been considerably slower than anticipated. In addition, initial implementation of several of the projects has been slow. A decision will be made next reporting period on how unearmarked funds should be used in the remainder of the project.

B. Participant Training: EIL developed a training plan for MUST staff, but this is on hold pending the Mission reaching agreement with the GSDR on the future roles of MUST, EIL and a possible "umbrella" agent for SPVOs. One participant from the MOI was sent for a M.A. in social development and international change at a U.S. university where he was awarded a full tuition scholarship.

C. Procurement Plan: All major procurement for the project has been completed.

D. Women in Development: OPGs under the project are required to identify direct and indirect beneficiaries disaggregated by sex and socio-economic strata. The OEF project is designed to assist rural women and their families; the majority of beneficiaries of the AMREF primary health care project are women and children; and many of CARE and Africare's sub-projects involve women. Future sub-project grants will require the grantee to provide sex disaggregated data, identify constraints to women's participation in development activities, and describe strategies for overcoming these constraints.

PROJECT IMPLEMENTATION REPORT
(April 1, 1989 to September 30, 1989)

I. ADMINISTRATIVE INFORMATION

Country:	Somalia
Project Title:	Jubba Development Analytical Studies (JUDAS)
Project Number:	649-0134
Date of Report:	October 11, 1989
Implementing Agency:	Ministry of Jubba Valley Development (MJVD)
Major Contractors/Amounts:	Bureau of Reclamation (USBR) \$2,172,140 Associates in Rural Development Inc. (ARD) \$3,584,713 National Academy Of Science (NAS) \$375,000
Field Backstop Officer:	Michael Fuchs-Carsch/A.A. Afrah
AID/W Backstop Officer:	Peter Feiden, AFR/PD/EAP
Date of Last Evaluation:	8/89
Date of Final Evaluation:	8/89
Waivers Processed During Reporting Period:	None

II. FINANCIAL DATA (\$000)

Date of Authorization (Original and Revised):	2/28/83, 6/30/85
Authorized LOP (Original and Revised):	\$8,550
Date of Initial Obligation:	9/29/83
PACD (Original and Revised):	12/31/86, 09/30/88, 05/30/90, 09/30/91
Cumulative Obligation:	\$8,550
Cumulative Commitments:	\$8,414
Cumulative Accrued Expenditures:	\$7,997
Estimated Cost of Inputs:	

<u>Input Category</u>	<u>Estimated Cost (\$000)</u>
Technical Assistance/Support	\$6,251
Institutional Development	700
Project Support	563
Field Support Unit	900
Evaluation	<u>136</u>
Total Estimated Cost	\$8,550

III. PERFORMANCE INFORMATION

A. Project Purpose: Provide necessary baseline information on soils, land use, environment and social effects of proposed development schemes in the Jubba River Valley and provide institutional support to the Ministry of Jubba Valley Development.

B. Progress Toward Meeting End of Project Status:

The final evaluation of the JUDAS Project was completed in May 1989. The team leader was provided through an IQC with Louis Berger International, Inc. (LBII). REDSO/ESA contributed a social scientist and an environmental advisor. The Project Evaluation Summary (PES) was submitted to the Program Office on September 30, 1989.

According to this evaluation the project successfully achieved virtually all of the following expected outputs. Importantly, the World Bank has relied heavily on project studies for their development of the concept paper for the "Baardheere Resettlement and Agricultural Development Project." Study results have not only contributed significantly to a much improved understanding of the human and natural resource systems in the Jubba Valley, but will also be of great value to future researchers in Somalia.

1. Classification of Soils and Land Use

The United States Bureau of Reclamation (USBR) under a PASA agreement with USAID, produced a report titled "Reconnaissance Report on the Jubba Valley" which was distributed to ministries and donor agencies in June 1989. The final report:

- a. documented the reconnaissance-level land classification studies that were performed;
- b. identified and located some 333,000 hectares of lands potentially irrigable in the Jubba Valley (arable lands in USBR parlance);
- c. distinguished between four main soil classes, depending on the agricultural potential and the economic attractiveness of irrigation; and
- d. discussed water management issues.

The project evaluation concluded that the report serves the intended purpose and will be useful to locate lands that could potentially be irrigated economically from the Jubba River.

2. Identification of Environmental and Socio-economic Constraints:

JESS produced reports with detailed analyses of riverine forests, vegetation, water quality, fisheries, limnology, ornithology and long-term environmental monitoring. These reports have been discussed with MJVD relating to environmental issues and pre-construction concerns about the Baardheere Dam. JESS data and recommendations have been considered very useful by other consultants and donors. The environmental findings have been used by the World Bank in their consideration of the Baardheere Dam project. Also, the JESS studies have been a key input into discussions between the World Bank and the Ministry of Jubba Valley Development on resettlement of the population from the area to be inundated by the reservoir.

A presentation of the JESS findings in Somalia was made in June 1989. A seminar in Washington, D.C. to present the results of the JESS studies has been scheduled for the Fall of 1989.

3. Environmental and Social Assessment:

JESS assembled a great deal of useful socio-economic data, including the environmental assessment that led to the proper understanding of human and natural systems in the Jubba Valley. JESS environmental and social assessments were used by the German Advisory Team (AHT) in the master planning for development of the the Jubba Valley. The data, analysis and recommendations regarding resettlement and cultural heritage have also been very useful to the World Bank Mission in pre-appraisal of the Baardheere Dam project.

4. Institutional Development

Institutional development for MJVD included personnel development by means of short courses and degree courses abroad, in-country development seminars and on-the-job training of counterparts (see Section IV.B. for details). Several professionals from the ministry are still in training abroad and five more participants left in September 1989 for M.S. degree training in Jordan. This latter training will be completed by September 1991. A contract between USAID and AMIDEAST for logistical support and services to these participants has been concluded. Because of this training, the PACD has been extended until September 30, 1991.

C. Project Output Status:

Major Output Targets

Status

1. The classification of soils and land for areas of highest agricultural potential in the Jubba and Lower Shebelli river Valleys.

The revised final report was approved by USBR and distributed by USAID to ministries and donors in June 1989.

Percent complete

100%

2. The identification of likely environmental effects of each of the various options for development and recommendations for approaches to minimize adverse impacts. JESS Phase III analysis has been completed, approved and distributed. A presentation in Somalia of the JESS findings has been completed and a seminar is proposed for AID/W in the Fall of 1989.

Percent complete 100%

3. The identification of potential sociological constraints and recommendations for effecting a smooth transition to irrigated agriculture with appropriate integration of rain-fed farming and livestock grazing. Same as for output (2) above but including socio-economics, markets, women's issues, land tenure, pastoralism and cultural heritage. Socio-economic survey completed of over 1,000 residents in valley. JESS environment and social survey field work completed, totaling 12.5 person years.

Percent complete 100%

4. The development of the MJVD as an effective coordinating and planning body for master planning in the valley. See Section IV.B.-Participant Training

Percent complete 50%

D. Important Issues/Problems:

1. According to the JUDAS final evaluation team, JUDAS research findings were used by the GTZ sponsored consultants Agrar-und Hydrotechnik (AHT), but not as extensively as had been envisaged because of the difficulties of coordinating USAID and GTZ contractor inputs. The use of the materials will depend in part on a) the availability and organization of the data sets and analytical results, and b) the existence of proper library management in Somalia (Mission, FAO, MJVD) and in AID/W PPC/CDIE.

2. Most of the project equipment has now been turned over to MJVD. The remaining four Chevy Blazers, which were under repair at FSU were turned over to the Ministry with PIL No. 24 in September 1989.

3. Computer and English language training scheduled for July 1989 has been suspended until October 1989 by the Ministry for lack of local currency funds to pay for training costs.

E. Important Actions Over Next Six Months:

<u>Action</u>	<u>Time Frame</u>	<u>Action Agent</u>
<u>Institutional Development</u>		
1. Computer and English Training	October	MJVD
2. Turnover of remaining project commodities.	November	USAID/MJVD
3. Monitor participants sent for training at the University of Jordan.	December	USAID/MJVD

IV. SPECIAL INFORMATION FOR THIS REPORTING PERIOD

A. Pipeline Analysis (\$000):

<u>Component</u>	<u>Obligations to Date</u>	<u>Committed</u>	<u>Accrued Expenditures</u>	<u>Pipeline</u>
Technical Assistance	6,251	6,179	6,172	80
Institutional Development	700	689	479	220
Project Support	563	562	562	1
Field Support Unit	900	865	688	212
Evaluation	<u>136</u>	<u>119</u>	<u>96</u>	<u>39</u>
Total	8,550	8,414	7,997	552

B. Participant Training:

The training plan for the project was developed jointly with the Ministry of Jubba Valley Development and the GTZ/AHT resident advisor to the Ministry.

The status of training activities is as follows: five individuals are currently working toward Master's degrees in the U.S. majoring in (a) irrigation/water management; (b) irrigation and drainage engineering, (c) natural resource planning, (d) rural sociology and statistics, and (e) sociology and agricultural economics. Five additional participants left on September 22, 1989 for Jordan for M.S. training (see III.B.4. above) and will graduate in September 1991. Another individual is a Ph.D. candidate in range science and entomology who is presently carrying out his thesis research in Somalia.

Two other MJVD staff have received U.S. long-term training in soil science and irrigation and are working in the Ministry. Another individual has returned from long-term training in public

administration in Nairobi. One individual majoring in drainage and salinity was to have returned to Somalia in 1986 but has disappeared. The former Director of Planning received short-term U.S. training in investment appraisal, and the Director General of MJVD completed an observational tour of U.S. institutions engaged in irrigation management and river basin planning. Another individual has entered a one-year Master's program in organization and management at USIU in Nairobi.

Short-term in-country training in low level aerial photo interpretation, cartography and remote sensing was successfully completed for approximately 20 MJVD staff in June 1988. Local currency-financed training in computer applications and English language training for approximately 20 staff has been rescheduled for October 1989.

Trainees are to fill positions under a new Ministry reorganization plan developed by the AHT master planning advisor and MJVD.

PROJECT IMPLEMENTATION REPORT
(April 1, 1989 - September 30, 1989)

I. ADMINISTRATIVE INFORMATION

Country:	Somalia
Project Title:	Somalia Refugee Settlement
Project Number:	649-0140
Date of Report	October 5, 1989
Implementing Agency:	Ministry of Agriculture (MOA)
Grants/Amounts:	World Concern: \$221,523 Save the Children Federation: \$183,155
Field Backstop Officers:	A. A. Ahmed/Michael Fuchs-Carsch
AID/W Backstop Officer:	Peter Feiden, AFR/PD/EAP
Date of Last Evaluation:	10/88
Date of next Evaluation:	10/90
Waivers Processed this Period	None

II. FINANCIAL DATA (\$000)

Date of Authorization:	July 16, 1986
Authorized LOP:	\$4,000
Date of Initial Obligation:	January 7, 1987
PACD:	June 30, 1991
Cumulative Obligation:	\$4,000
Cumulative Commitments	\$ 626
Cumulative Accrued Expenses	\$ 446
Estimated Costs of Individual Inputs:	

<u>Input Category</u>	<u>Estimated Cost</u>
Rapid Impact Projects	790
Settlement Sub-activities	2,200
Technical Assistance	640
Commodities	80
Evaluation/Audit	200
Field Support Unit	<u>90</u>
TOTAL	\$4,000

III. PERFORMANCE INFORMATION

A. Project Purpose:

To develop and test viable alternatives to refugee camps which enable refugees to become fully integrated self-supporting residents of Somalia, thus enabling GSDR and donor resources, which now support refugees, to focus more fully on development.

B. Progress Toward Meeting End of Project Status:

1. The SRSP Grant Agreement was signed on January 7, 1987. The project planned to have a total of five Rapid Impact Projects (RIPs) implemented by mid-1988; however, despite the fact that the SRSP has passed the mid-point of its originally planned life-of-project, only two RIPs are underway. Because of delayed implementation, the Mission conducted an interim evaluation in November/December 1988. Major recommendations were covered in the preceding PIR. A PP supplement responding to the evaluation recommendations was approved on June 29, 1989.

The key changes are as follows:

a. Rapid Impact Projects (which have a life of one year and a value of less than \$200,00) have been eliminated as a separate category of settlement activity due to the low level of interest among PVOs in these small grants. The project now permits substantially larger multi-year grants with budgets in excess of \$1 million.

b. The grant application process will follow a two-step procedure. First a PVO will prepare a concept paper of 5-6 pages which must be reviewed by USAID and the MOA within two weeks of submission. PVOs whose papers are approved will then prepare full proposals for review. Outlines for both concept papers and proposals have been developed and will be provided as guidance to PVOs seeking grants. Up to \$30,000 is available to PVOs for preparation of project proposals.

c. USAID will no longer be involved in settlement site identification. Rather, PVOs will propose the settlement sites and refugee groups to be assisted, based on demonstrated interest and commitment by refugees to settlement.

2. A PIL was signed to turn over one Jeep Cherokee to MOA and transfer the other to the Shebelli Water Management Project.

3. The SCF RIP was approved and the Grant Agreement signed.

4. A part-time PSC Project Coordinator was hired.

5. A PIL extending the project PACD to December 31, 1993 was prepared.

6. Site visits were made to the World Concern Project in Luuq and the SCF Project in Qoryoley.

C. Project Output Status (revised)

<u>Major Output Targets</u>	<u>Status</u>
1. Establishment of at least two agricultural settlement sub-projects in addition to two RIPs.	Two RIPs are being implemented. One concept paper for a larger settlement sub-project is under review.
2. Establishment of at least one non-agricultural project.	No progress.
3. At least 8,000 individuals (approx. 1,600 families) benefiting from participation in the project.	272 families are being assisted in establishing agricultural settlements.

D. Important Issues and Problems

1. Continued fighting in northern Somalia and the subsequent withdrawal of PVOs and other international agencies has made refugee settlement in that area unlikely. Because of this, however, more refugees may be interested in settlement in the South or repatriation to Ethiopia. The actual number of refugees that may settle in the South may largely depend on the proposed implementation of the Tripartite Agreement (see D.2., below).

2. The idea has been raised by the U.S. Embassy to use project funds to assist the UNHCR in implementation of the Tripartite Agreement. This agreement between UNHCR, Somalia and Ethiopia calls for two stages of repatriation arrangements. The first involves planning and registration of refugees. The second stage covers the actual movement of refugees. The repatriation process will require different types of assistance, ranging from food packages and transportation to assistance for communities directly affected by repatriation. No formal proposal on use of project funds for such costs has been developed or costed out.

3. The number of proposals for RIPs submitted has been much lower than expected. Minimal interest by U.S. PVOs in Somalia in proposing projects is due to several factors, including the small size and short time frame of RIP grants, competition for proposals from PVOs by the USAID PVO Development Partners Project, uncertainty of GSDR commitment to securing land tenure for refugees, and civil unrest in different parts of Somalia. It is anticipated changes in the size of grants and the proposal review process made in the PP Supplement may encourage new PVOs to submit sub-project proposals.

4. World Concern's Rapid Impact Project: The project workplan has been severely delayed for many months due to the absence of the irrigation and construction materials. These finally arrived, but security concerns have since forced World Concern to withdraw expatriate staff from the project site in Luug. This will undoubtedly have a negative effect on implementation of their project, the extent of which will depend on how soon they can return to the area. USAID expects that World Concern will return to Luug shortly since UNHCR, CARE/ELU and other U.S. PVOs decided to do so in early October.

E. Important Actions Over the Next Six Months

<u>Action</u>	<u>Time Frame</u>	<u>Agent</u>
1. Obtain MOA position on support for income generating programs.	Nov	USAID/MOA
2. PIL extending the PACD and modifying Annex I signed.	Nov	USAID/ARD/MOA
3. Review and approve or reject the World Concern sub-project concept paper.	Dec	USAID/ARD/MOA
4. Make site visits to Luuq and Qorioley	Dec	USAID/ARD/MOA
5. Determine feasibility of project support for Tripartite Agreement	Jan	USAID/ARD

IV. SPECIAL INFORMATION FOR THIS REPORTING PERIOD

A. Pipeline Analysis*

	<u>Obligations to Date</u>	<u>Committed</u>	<u>Accrued Expenditures</u>	<u>Pipeline</u>
Rapid Impact Grants	790,000	221,523	186,543	603,457
Settlement Sub-Activities	2,200,000	0	0	2,200,000
Technical Assistance	640,000	303,874	197,864	442,136
Commodities	80,000	31,735	31,735	48,265
FSU Support Costs	90,000	69,042	30,285	59,715
Evaluation/Audit	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
Totals:	\$4,000,000	\$626,174	\$446,427	\$3,553,573

* Under the PP Supplement, Rapid Impact Grants and the Settlement Sub-activities line items are combined to form the new line item of Settlement Sub-projects.

B. Women in Development: Several of the recommendations in the evaluation specifically raised WID issues which were included in the PP Supplement. In their proposals, PVOs will incorporate disaggregated data to identify numbers of refugees vs. local populace, male vs. female, and female-headed households. Furthermore, proposals for over \$300,000 will include a discussion of constraints to women participating and directly receiving economic benefits and the measures taken to address these constraints.

PROJECT IMPLEMENTATION REPORT
(April 1, 1989 - September 30, 1989)

I. ADMINISTRATIVE INFORMATION

Country:	Somalia
Project Title:	Livestock Marketing and Health
Project Number:	649-0109
Date of Report:	October 10, 1989
Implementing Agency:	Ministry of Livestock, Forestry and Range
Major Contractors/Amounts:	U.S. Dept. of Agriculture (PASA) - \$1,761,000
	Ronco Consulting Corporation - \$850,000
	Parsons Brinckerhoff, Int'l. - \$285,000
	Ray Fox (USDA/PASA) - \$200,000
Mission Project Officer:	M. Fuchs-Carsch/J. Airhart
A.I.D/W Backstop Officer:	Peter Feiden, AFR/PD/EAP
Date of Last Evaluation:	February 1988
Date of Next Evaluation:	November 1991
Waivers Processed:	One (motorcycles)

II. FINANCIAL DATA (\$000)

Date of Authorization:	7/12/84
Authorized LOP:	\$19,410
Date of Initial Obligation:	7/30/84
PACD:	Original - 6/30/88 Amendment 1 - 12/31/89 Amendment 2 - 12/31/91
Cumulative Obligation:	\$18,660
Cumulative Accrued Expenditures:	\$10,159
Cumulative Commitments:	\$16,977
Estimated Cost of Inputs:	

<u>Input Category</u>	<u>Estimated Cost</u>
Technical Assistance	3,136
Commodities	1,900
Construction	12,873
A&E	185
Training	205
FSU	607
Evaluation/Audit	221
Contingency	<u>283</u>
Total	\$19,410

III. PERFORMANCE INFORMATION

A. Project Purpose: (1) To restore the contribution of cattle exports to the Somali balance of payments; (2) to lay the conceptual basis for a broader approach to strengthening the Somali livestock industry.

B. Progress Toward Meeting End of Project Status:

1. Saudi ban on Somali cattle exports is lifted. Over 130,000 head exported to Saudi Arabia: Despite continued dialogue between the GSDR and the Saudi government, the hopes expressed by the GSDR during the last reporting period that the Saudi government might lift the ban on Somali cattle exports have not been realized. The Saudi Government continues to insist on the quarantine requirement for all cattle imports.

Construction of the first quarantine site (Warmahan) began in January 1989 and is generally progressing well. The USAID Engineer is supervising the construction. Cattle roads and concrete works are 85% complete, and about 90% of the vehicle roads are finished. However, some construction activities have been delayed over the last three-to-four months because of the severe shortages of shillings.

Because of civil unrest in the Kismayo area in the South and in the Berbera area in the North, construction of the quarantine stations for these areas was cancelled, and the contractor was ordered to stop procurement and shipment of material for these two stations (see section D.1.).

The Mission is now in the process of preparing a PP Supplement to reflect both the scaling back of the project (cancellation of two stations) and the technical assistance for operational and management requirements of the remaining station (Warmahan). An agricultural specialist on a three-month TDY is assisting the Mission in this effort.

The first consignment of commodities, including animal husbandry equipment, lab equipment and vehicles arrived in Mogadishu in September 1989. This equipment was shipped before the decision was made to cancel construction of the Berbera and Kismayo stations. Therefore, the shipment includes commodities for the three originally planned stations. The issue of what to do with the equipment for the two cancelled stations is currently under discussion in the Mission. Nine more air/sea shipments for the Warmahan site and project headquarters are expected to arrive in October/November.

2. Vaccination and quarantine procedures being followed. Physical facilities completed and utilized.

About 3600 cattle, mainly for export to North Yemen, have been processed in the last six months through the existing quarantine facility at Warmahan. The Feedlot Advisor and the Field Veterinary Advisor continued

on-the-job training for Warmahan staff in the use, maintenance and storage of veterinary supplies. The Field Veterinary Advisor, who was with the project for nearly two years, left post in August 1989. His replacement has been approved and is expected to arrive in January 1990.

3. Farmers and traders providing adequate fodder and trucking services under the new quarantine system: In order to cover higher than anticipated construction costs, the Livestock Investment Fund (LIF) and the technical assistance on fodder production components were eliminated from the project. Since Berbera port has been closed, more livestock exports are being shipped from Mogadishu resulting in a higher demand for fodder (for animal exports) in the southern regions. The MLFR has purchased some farm/fodder equipment under the EEC Commodity Import Program and entered into a joint venture with a private Belgian company to develop and produce fodder. Another joint venture project between the GSDR and a private Italian company established a feedlot operation with irrigated fodder production. In addition, a Somali businessman is operating a feed mill in Mogadishu. It is anticipated that fodder produced by these companies will be available for sale to traders with animals in quarantine.

4. Studies completed and used as basis for preparation of follow-on livestock project: The four studies on livestock marketing were completed in 1987 and results were reported previously. In response to the GSDR's request for additional assistance in marketing, the Mission hired a summer intern to help the LMHP for 10 weeks to analyze data being collected on domestic livestock prices. A statistical analysis software program to process the data was created, and LMHP staff received training in dBase and Lotus applications. The LMHP can now produce monthly summary reports on livestock prices in nine major markets.

C. Project Output Status:

Major Output Targets

Status

1. Effective quarantine system established utilizing completed quarantine facilities and marshalling yards.

Construction of the first station is in progress and is scheduled for completion in March 1990. Construction of other two stations at Kismayo and Berbera was cancelled due to security problems.

2. Private sector providing trucking services and growing fodder necessary for export of quarantined cattle.

AID financing for this component of the project was eliminated; however, the GSDR and some donors have initiated fodder production activities, including joint ventures with Somali and foreign companies. A Somali businessman established a feedmill which is now in full operation.

Major Output Targets

Status

3. GSDR has executed changes in policy, regulations and finances necessary for exports of quarantined cattle.

Export regulations were revised with assistance from the Sr. Veterinary Advisor in 1987. To encourage livestock export, some Government taxes have been eliminated and veterinary services have been privatized.

4. Studies completed.

Four studies on livestock marketing, and fodder production were completed in 1987. Collection of domestic marketing data by the GSDR continues. A report analyzing the domestic marketing data was completed in August 1989 by a summer intern.

5. Seven persons trained in short-term non-degree courses in U.S.

Two of the three participants sent for courses in veterinary medicine and marketing returned, but only one is working on the project. The third did not return. Another participant trained in feedlot management returned but has left Somalia and is reported to be in Canada. Further training will be limited to short courses and study trips within the region.

D. Important Issues/Problems:

1. Because of the continuing civil unrest in the North the third quarantine station at Lafarug (near Berbera), planned for construction to begin in April 1990, will not be constructed. The site is located outside the secure perimeter area around Berbera. Security problems started in the southern part of the country in April 1989 where the project was to have started construction of the second station (Laheley) in October 1989. As these security problems have continued, construction of this station has also been cancelled. With the reduced scope of the project, the position of Management Advisor has been eliminated. (See discussion of PP Supplement in B.1. above.)

E. Important Actions Over the Next Six Months:

<u>Action</u>	<u>Time Frame</u>	<u>Action Agent</u>
1. Receive vehicles and commodities for quarantine station and turn vehicles over to GSDR.	11/89	ARD/MGT/FSU
2. Prepare fourth PP supplement eliminating two stations and the Management Advisor position.	12/89	ARD/PDS
3. Amend PASA to cancel Management Advisor position.	1/90	ARD/CO
4. Prepare an implementation plan for operation of the Warmahan quarantine station.	12/89	ARD
5. Completion of settlement with contractor to eliminate two stations.	1/90	CO

IV. SPECIAL INFORMATION FOR THIS REPORTING PERIOD

A. Pipeline Analysis (\$000):

<u>Component</u>	<u>Obligated</u>	<u>Committed</u>	<u>Accrued Expenditures</u>	<u>Pipeline</u>
Tech. Asst.	2,796	2,034	1,408	1,388
FSU	547	378	272	275
Training	205	190	174	31
Construction	13,058	12,682	7,091	5,967
Commodities	1,900	1,645	1,166	734
Evaluation/Audit	121	46	46	75
Contingency	<u>33</u>	<u>2</u>	<u>2</u>	<u>31</u>
Total	18,660	16,977	10,159	8,501

The construction pipeline shows a large balance. Construction is underway, but drawdowns are not expected to occur as quickly as anticipated because of the cancellation of two of the three stations.

B. WID Concerns: As a construction project, the LMHP has no specific WID strategy. No attempt was made during the project design to delineate beneficiaries by gender, although it should be noted that women are often responsible for herding and grazing of cattle. Improved quarantine facilities for cattle will result in increased exports and will hence offer women greater income generating opportunities. A number of women also work on the project headquarters staff (thirty-two).

PROJECT IMPLEMENTATION REPORT
(April 1, 1989 - September 30, 1989)

I. ADMINISTRATIVE INFORMATION

Country:	Somalia
Project Title:	Kismayo Port Rehabilitation
Project Number:	649-0114
Date of Report:	October 5, 1989
Implementing Agency:	Ministry of Public Works and Housing
Major Contractors/Amounts:	(a) NAVFAC (U.S. Navy, Naval Facilities Engineering Command) \$27,116,766 with subcontract with G.A. Fuller Co. (GAFCO) for \$24,418,135 (b) PBI (Parsons Brinckerhoff International) - construction inspection for \$788,880 - design for \$1,368,150
Field Backstop Officer:	John W. Airhart, Mission Engineer
AID/W Backstop Officer:	Peter Feiden, AFR/PD/EAP
Date of Last Evaluation and/or Audit:	July 1989 (one year construction warranty evaluation)
Date of Next Evaluation and/or Audit:	July 1992, second inspection
Waivers Processed During the Reporting Period:	None

II. FINANCIAL DATA (\$000)

Date of Authorization:		8/12/82
Authorized LOP:		\$42,000
Date of Initial Obligation:		9/23/82
PACD (Original and Revised):	Original	3/14/84
	Amendment 1	3/31/85
	Amendment 2	9/30/87
	Amendment 3	9/30/88
	Amendment 4	3/31/92
Cumulative Obligation:		\$36,000
Deobligation:		10/30/85
		\$ 6,000
Cumulative Commitments:		\$31,131,152
Cumulative Accrued Expenditures:		\$30,926,407

Estimated Cost of Inputs by Category:	<u>Estimated</u> <u>Cost</u>
---------------------------------------	---------------------------------

<u>Port Rehabilitation</u>	
Base Construction	\$26,200
A&E Design	2,700
Construction Supervision	2,200
Contingency	300
<u>KWSS Rehabilitation</u>	
Construction	2,600
Engineering/Management	1,000
Contingency	<u>1,000</u>
TOTAL	\$36,000

III. PERFORMANCE INFORMATION

A. Project Purpose:

The Project will assist the GSDR in rehabilitating the Kismayo Port by financing the costs of preliminary studies, engineering, construction and training.

The project consisted originally of demolition of the entire pier (all four berths) and its subsequent rehabilitation, using a sheetpile bulkhead design. The rehabilitation also added some 10,000 sq. m. of pier area by extending the berthface approximately 14 meters. The project also included the rehabilitation of the ancillary facilities and provided for training of maintenance personnel.

The project was amended to include the rehabilitation of the Kismayo Water Supply System (KWSS) to provide potable water to ships using the new port facilities. The work was to consist of

the following: adding a new intake structure for the plant, adding presedimentation basins to the existing plant, removing existing chemical feed systems, mechanical flash mixers and flocculators and replacing them with a parshall flume system, rehabilitating the existing rapid sand filters, replacing all the existing pumps and diesel generators, repairing the leaks in the transmission pipeline from the plant to the port, on-the-job training for key personnel in operation, maintenance, and management, and providing an inventory of spare parts, tools, water treatment chemicals, and lubricants for two to five years of operation. This rehabilitation work would have reduced the maintenance requirement for the water treatment plant by eliminating the mechanical mixers, flocculators, and chemical feeds. This reduced need for resources to maintain the physical plant coupled with improved management of the facilities would have allowed the KWSS to be self-sustaining with the revenues generated by water fees.

B. Progress Toward Meeting End of Project Status:

The contract for port construction was signed on September 9, 1985 and berths 1 and 2 completed in June 1987 and turned over to the Somali Port Authority (SPA) for operation. Work on the remaining berths, 3 and 4, was also completed and the two berths turned over to the SPA in June 1988. The construction of the port facility is thus complete. The construction contractor (GAFCO) had demobilized and removed his equipment from Kismayo by April 19, 1989. The port facility was turned over to GSDR for operation and maintenance on October 24, 1988.

Training for port management and maintenance personnel was initiated during the construction of the first phase (berths 1 and 2) and was completed. Maintenance personnel trained include all specialties necessary for the maintenance of the port, i.e., electrical, mechanical, plumbing, civil, painting, etc.

The Project Paper Supplement adding the KWSS to the project was approved by the Mission on November 30, 1988. The amendment to the Project Agreement was signed on January 25, 1989. Ten Expressions of Interest for the engineering design of the KWSS were received in April and evaluated by the USAID selection panel. The rank ordered list of eligible firms was transmitted to the Mission Director, through the Contracting Officer, in May. Upon approval of the list, the Contracting Officer requested a cost proposal from the number one ranked firm of CH2M Hill. In early July, CH2M Hill requested Mission concurrence to send a representative to Mogadishu to research costs in the area. The Mission approved CH2M Hill's request providing that their visit be postponed for a few weeks pending the Mission Engineer's return from Home Leave. After the

Mission Engineer's return to Post, the security concerns and the U.S. presence reduction led to USAID's notification of CH2M Hill that no visit could be approved at that time. In August, the Mission cancelled the procurement action for this A&E work. Currently, there are no further actions being taken on this project.

C. Project Output Status: Major Output Targets:

The major output of this project is the completion of the construction of the pier and all ancillary and miscellaneous facilities, including the Kismayo Water Supply System, necessary for the operation and maintenance of the port. The port facilities have been completed as stated above. The PACD was extended to March 31, 1992 to allow for the rehabilitation of the KWSS.

D. Important Issues/Problems:

The Mission has terminated all activities for the KWSS.

E. Important Actions Over Next Six Months:

<u>Action</u>	<u>Time Frame</u>	<u>Action Agent</u>
None		

IV. SPECIAL INFORMATION FOR THIS REPORTING PERIOD

A. Pipeline Analysis (\$000):

<u>Component</u>	<u>ProAg Budget</u>	<u>Committed</u>	<u>Accrued Expenditures</u>	<u>Pipeline</u>
Base Construction Cost	26,217	26,217	26,176	41
A&E Design	2,683	2,681	2,681	2
Construction Supervision	2,200	2,181	2,017	183
Contingencies	300	52	52	248
<u>KWSS Rehabilitation</u>				
Construction	2,600	-0-	-0-	2,600
Engineering/Management	1,000	-0-	-0-	1,000
Contingency	<u>1,000</u>	<u>-0-</u>	<u>-0-</u>	<u>1,000</u>
Total	36,000	31,153	30,926	5,074

PROJECT IMPLEMENTATION REPORT
(April 1, 1989 - September 30, 1989)

I. ADMINISTRATIVE INFORMATION

FY 1989 PL 480
Title II Section 206 - Somalia
T.A. No: 649-~~XXX~~-000-9629
Agreement Date: May 28, 1989
Implementing Agency: Ministry of Finance and Treasury,
(MOF&T) GSDR

II. FINANCIAL DATA

Total tonnage authorized:	6536 MT vegetable oil
Total tonnage delivered	-0-
(Discharge expected in November 1989)	
Dollar value as per agreement	\$5.8 Million
Dollar value of commodity delivered:	\$0.0 Million
Total amount of L/C expected:	SoSh. 3.344 Billion
Amount of L/C deposited to date:	SoSh. -0-
L/C deposits during reporting period:	SoSh. -0-
L/C disbursed to date:	SoSh. -0-
L/C disbursements for programmed use during the reporting period:	SoSh. -0-

III. PERFORMANCE INFORMATION

A. Project Purpose:

The program has direct economic, socio-economic and nutritional objectives. Demand for edible oil in Somalia is largely inelastic; market shortages result in sharp price rises. As a result, shortages have a direct and immediate effect on the more vulnerable groups within Somali society. Reducing shortages by injecting vegoil through the non-targeted free market system benefits the majority of Somalis, but the greatest benefits accrue to the poorest, who are the first to go hungry when food prices rise.

Selling vegoil through the auction strengthens the private sector by providing equitable access to all licensed traders - large and small. The auction also demonstrates the efficiency of a free market in setting prices and allocating goods.

The program has indirect nutritional benefits. The sale of the vegoil generates a fund of local currency used to support activities undertaken by the GSDR, USAID and other donors to improve food production and nutrition.

Deposits of Local Currency: Half of the generations under the FY 1989 program are to be deposited within thirty days of completion of the auction, and the balance in ninety days.

B. Progress towards meeting Self Help Measures:

1. Auction Sale to the Private Sector: The sale cannot occur until the commodities arrive.
2. Missing and Damaged Commodities: Again, no action can occur until the commodities arrive.
3. Food Imports: The recently completed IBRD study should have covered the topic; PRG/ECON to obtain a copy and confirm.
4. Fertilizer Imports: The legality and tax status of fertilizer imports remain ambiguous; ARD will prepare an analysis by November.
5. Inputs Delivery: The GSDR is pushing ahead with the help of ASAP II and USAID encouragement. ARD is monitoring.
6. Use of Local Currency: PROG continues to work on the budget allocation for generated shillings. The lack of ESF-generated shillings is making the process increasingly acrimonious. Frank Cajthaml, Financial Advisor to the Domestic Development Department, has completed a project budget manual to permit objective review of the proposals.

C. Local Currency Uses:

About 70 percent of the total local currency generated through sales of PL 480 commodities supports USAID-assisted projects to promote increased agricultural production and rural health. The USAID-assisted Livestock Health and Marketing project includes the construction of a quarantine station where cattle can be certified disease-free to increase their marketability in regional markets and particularly to Saudia Arabia; the Family Health Services project centers on raising public awareness to promote family health, child spacing, and an end to female circumcision; and two projects, implemented by PVOs, support rural development and refugee settlement and include primary health care, small-scale farming, agricultural extension and provision of inputs. Because of the current security situation in the project area, the USAID-assisted Shabelli Water Management project has been cancelled. However, PL 480-generated

shillings may be used to support MOA activities to lay the foundation for development of the Shebelli River Basin and improve the production capacity of small-scale farmers in basic food crops through improvement of basin-wide water management, rehabilitation of existing irrigation infrastructure, and agricultural research.

The balance of the shilling generations is used to meet local costs of GSDR and other donor projects also supporting national food self-sufficiency. These agricultural projects include farmer self-help construction of small-scale irrigation canals fed from springs, agricultural extension and research, rural water development for human and animal consumption, and basic health and nutrition projects.

D. Important Issues/Problems:

Four important issues continue: Customs duty, program levels, percentage of the program allocated to the private sector, and programming of local currency.

1. Percentage of the Program to the Private Sector:

The GSDR is becoming increasingly unwilling to allocate a greater percentage of the donated commodities to the private sector. The DCC is adamantly opposed to either the military or police continuing to receive food in future years. USAID options are to:

- (a) specify eligible Public Sector Agencies;
- (b) allow only sales to the private sector; or
- (c) reduce the program level to provide only the oil destined for the private sector.

Option (b) is most satisfactory to both parties because it maximizes local currency generations while minimizing "strings" on the program.

2. Program Levels:

Payments due on old Title I loans are increasing rapidly as the ten-year grace periods on the loans expire. Unless the Title II levels are increased there will be a negative net flow of food aid resources by 1991.

3. Customs Duties:

The DCC policy requiring that donated commodities enter duty-free has been waived for the FY 1988 and FY 1989 programs. PL 480 commodities sold to the public and private sector were, therefore, subject to customs duties levied by the GSDR. In FY 1988, this reduced the amount of local currency available for development projects (through the Special Account) by 20 percent. The percentage in FY 1989 will be similar.

In past years the GSDR has adamantly asserted that the program is essentially commercial in nature and hence duty must be levied on entry. The DCC is increasingly unwilling to waive the duty-free provision, arguing that revenues generated should go to the Special Account to the greatest extent possible.

In negotiating the FY 1990 proposal, USAID will again negotiate for duty-free entry of the donated commodities.

4. Programming Local Currency:

The PL 480 program has dropped from \$20 million in FY 86 to \$12 million in FY 87 and \$5 Million in FY 1988. Although the FY 1989 program level is \$5.8 Million, the Mission has substantially less local currency to program than in the past.

We have therefore taken a number of steps to manage the use of local currency more actively: entering the budget process earlier, when it is easier to intercept projects that do not conform to USAID strategy; approving the local currency budget on a quarterly basis, rather than annually, and undertaking a project-by project review with the GSDR.

E. Important Actions over the next six months:

Arrival and Sale of Commodities: If the commodities arrive as scheduled on November 13, 1989, the auction can be completed by December 31.

Disbursement of Local Currency: All generations are to be disbursed by September 30, 1990.

Auction Report: Complete the reporting cable on implementation of the FY 89 auction and sale to public sector agencies.

Self Help Measures: Monitor implementation of the Self Help Measures included in the FY 87, FY 88 and FY 89 Transfer Authorizations.

FY 90 Program: Complete the negotiations and sign the FY 90 Transfer Authorization. Ship the vegoil. (USAID plans to have the proposed to Washington by December 31.)

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