

*PD600 636*

AGENCY FOR INTERNATIONAL DEVELOPMENT

**PROJECT DATA SHEET**

1. TRANSACTION CODE

A = Add  
 C = Change  
 D = Delete

Amendment Number 1

DOCUMENT CODE

3

COUNTRY/ENTITY  
Somalia

3. PROJECT NUMBER

64-0109

4. BUREAU/OFFICE

Africa

6

5. PROJECT TITLE (maximum 40 characters)

Livestock Marketing and Health

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY  
1 2 3 1 8 9

7. ESTIMATED DATE OF OBLIGATION  
(Under 3" below, enter 1, 2, 3, or 4)

A. Initial FY 84

B. Quarter 4

C. Final FY 84

9. COSTS / \$000 OR EQUIVALENT \$1 =

A. FUNDING SOURCE	FIRST FY <u>84</u>			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
Appropriated Total	2,000			17,000		17,000
Grant	2,000			17,000		17,000
Loan						
Other						
U.S. <u>2</u>						
Host Country		5,500			16,000	16,000
Other Donor(s)						
<b>TOTALS</b>	<b>2,000</b>	<b>5,500</b>		<b>17,000</b>	<b>33,000</b>	<b>33,000</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
<u>WARDN</u>	<u>133</u>	<u>060</u>		<u>10,300</u>		<u>2,000</u>		<u>17,000</u>	
(2)									
(3)									
(4)									
<b>TOTALS</b>				<b>10,300</b>		<b>2,000</b>		<b>17,000</b>	

10. SECONDARY TECHNICAL CODES (maximum 5 codes of 3 positions each)

010 050 040 960

11. SECONDARY PURPOSE CODE

131

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code BR BS R/AG

13. PROJECT PURPOSE (maximum 480 characters)

To restore the contribution of cattle exports to the Somali balance of payments and to lay the conceptual basis for a broader approach to strengthening the Somali livestock industry.

14. SCHEDULED EVALUATIONS

Interim MM YY 1 2 8 7 Final MM YY 1 0 8 9

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment.)

I concur in the methods of implementation and the financial arrangements under the project.

*Michael R. Bradley*  
Michael R. Bradley

17. APPROVED BY

Signature *Louis A. Cohen*  
Title Louis A. Cohen  
Mission Director

Date Signed MM DD YY  
0 8 2 0 8 6

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

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BEST AVAILABLE DOCUMENT

ACTION MEMORANDUM FOR THE DIRECTOR

DATE: 20 July, 1986  
FROM: Ed *Ergall* PROJ  
SUBJ: Livestock Marketing and Health

Action:

Your approval is requested for an increase in life of project funding for the Livestock Marketing and Health Project. The U.S. dollar increase will be \$6.0 million bringing the life of the project total to \$17.0 million. The GSDR's contribution will increase from the Somali Shilling equivalent of \$5.5 million to \$16.0 million.

Discussion:

The Livestock Marketing and Health Project was obligated on July 30, 1984. The project authorized \$11.0 million in foreign exchange. This was supplemented by the Somali Shilling equivalent of \$5.5 million. The PACD for the project is June 30, 1988. The Project will assist Somalia to develop livestock marketing and health policies and programs, including the establishment of a quarantine system for the export of cattle which will help Somalia regain its share of the international market for live cattle. To achieve its objectives, the Project will provide financing for technical assistance, training and commodities, including vehicles, animal drugs and vaccines and construction and rehabilitation of quarantine facilities.

Progress in the project has been stalled for some time because of insufficient funds for construction of the quarantine facilities. The U.S. Department of Agriculture was selected to assist the GSDR in all quarantine related activities. The USDA team felt that the original design for the quarantine facilities was inadequate to prevent contamination of one lot of cattle by another in the event of a disease outbreak. The cost estimate for the new design was far above the amount originally budgeted. USAID and the GSDR have gone over the estimates provided by the USDA and have agreed on a modified facility which will still conform to the USDA standards. It was determined that additional funding is required to start the construction. USAID requested additional funds from AID/Washington. Washington has approved additional funding. The additional funds will be used for added construction costs (\$4.481 million), an increased contribution to the Livestock Investment Fund (\$1.0 million), operational costs for the Field Support Unit (\$167,000), additional commodities (\$346,000), A&E (\$650,000), training (\$123,000), evaluation/audit (\$200,000) and contingencies (\$116,000). Funding for technical assistance has been reduced (\$1,083,000). The source of funding will be as follows: (a) \$1.5 million will come from funds deobligated from other ARDN funded

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projects. The funds will be reobligated into the project this fiscal year; (b) \$4.5 million will come from the regular OYB process. \$2.0 million of this is scheduled to be obligated this fiscal year.

The revised financial plan is as follows:

	<u>USAID</u> (F/X) ( '000 or equivalent)	<u>GSDR</u> (L/C)
<u>Project Input</u>		
Technical Assistance	2,034	450
A & E	650	--
Administration Expenses	-	1,300
Commodities	1,965	1,202
Construction	8,400	7,245
Fuel and Maintenance	-	1,063
Training	268	-
Livestock Investment Fund	3,000	500
Field Support Unit	367	300
Evaluation/Audit	200	-
Const. Contractor Trust Funds	-	3,840
Contingency	116	100
	<u>17,000</u>	<u>16,000*</u>
TOTAL		

\* This total includes both the GSDR contribution of \$13,000,000 and the \$3,000,000 Sosh equivalent generated within the project by the equipment sold under the LIF.

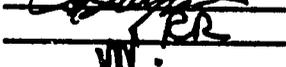
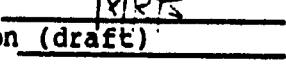
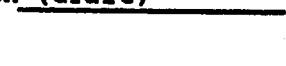
In the light of the increased cost, the economic implications of the project have been re-examined. The activities proposed are warranted and beneficial. The Project committee has reviewed the project's original determination to have a direct AID construction contract to construct the quarantine facilities. The Committee feels this determination is still justified. You have been delegated authority by AA/APR to approve the increased funding (State 181857). Funds are available. You have made a 611(e) determination that the GSDR has the human and financial resources to operate and maintain the quarantine facilities. The AA/APR has received and taken into consideration this determination.

Recommendation:

That you sign the attached Project Authorization Amendment and Project Data Sheet, thereby approving the life of project funding of \$17.0 million, and the FY 86 increment of \$2,000,000 for obligation.

Attachments: Project Authorization Amendment  
Project Paper Amendment

Approved:   
Louis A. Cohen  
Mission Director

Clearance: ADO, R. Carpenter   
PROG, R. Rhoda   
ENGR, D. Vincent   
CONT, M. Bradley   
RLA, B. Barrington (draft) 

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## I. Summary and Recommendations

### Recommendations

USAID/Somalia recommends the authorization of a \$6.0 million amendment to the Livestock Marketing and Health Project. The total dollar cost of the project will be \$17.0 million. The GSDR contribution will be the Somali Shilling equivalent of \$16.0 million, including the Somali Shilling equivalent of \$3 million from local currencies generated by the sale of project financed imported commodities. This represents an increase of the Somali Shilling equivalent of \$10.5 million.

USAID/Somalia has re-examined the economic implications of the project and finds the activities proposed warranted and beneficial.

### Summary Description

The goal and purpose of the project remain unchanged. The goal of the Livestock Marketing and Health Project is to support the expansion of Somali livestock exports and foreign exchange earnings and to increase the income and welfare of the Somali people over the next decade. The project purpose is three-fold:

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, and
3. to make more food available for domestic consumption.

The project has the following components:

1. Quarantine facilities: The project will construct and operate stations serving the three major ports (Mogadishu, Kismayo and Berbera) for quarantine and health certification of export cattle;
2. Livestock Investment Fund: The project will provide foreign exchange to purchase equipment for fodder/feed production and livestock transport equipment and to assist the private sector to support the quarantine stations' needs;
3. Studies: The project will gather data on international and domestic livestock marketing and the socioeconomics of Somali livestock marketing in order to form a basis for future improvements in the livestock industry.

The amendment will fund:

1. Increased construction costs of the three quarantine stations (\$4.481 million). The cost increases are due principally to USDA revised technical animal health quarantine specifications requiring separation of holding pens;
2. Increased funding for the Livestock Investment Fund (\$1.0 million);

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3. Increased commodity and training requirements for the Livestock Quarantine Unit (\$469,000);
4. Funds for evaluation/audit, increased FSU support and a contingency line item have been added (\$483,000);
5. An architectural and engineering firm will be hired for design specification modification and to oversee the construction contract. This line item has been added at \$650,000.

The project's technical assistance requirements have been reduced by \$1,083,000.

### Issues

The following are issues resulting from AID/Washington review of the Mission's request for additional funds.

1. Construction of the quarantine stations will be phased with the station serving the Berbera port scheduled to be constructed last. This is to allow the construction of the Berbera Quarantine Facility keep pace with development of solutions to the scarcity of feed in that location. Under the RONCO contract, a private enterprise adviser will advise farmers and businessmen in the development and expansion of existing and new fodder production capabilities. Funds are provided in the project to import seeds, fertilizer, and equipment for this activity. Under the two TA contacts, short term TA will be provided to train farmers in fodder production and marketing. For more details, please refer to the technical assistance section.
2. Final design of the quarantine stations should not preclude future expansion.  
  
Facilities have been designed so that GSDR can expand on facilities by adding additional cells, if export demand warrants.
3. Attention should be given to the future costs of maintenance and operation of the quarantine facility. Training in operations and maintenance for GSDR staff should be programmed. Private sector contracting could be considered as an alternative.

User fees will be adequate to cover operational and maintenance costs. Fees will be updated periodically to assure adequate coverage. The project will provide for on-the-job training in operations and maintenance. Furthermore, the GSDR will explore means of utilizing private sector firms for maintenance and operations to the extent feasible.

## II. Project Description

The Livestock Marketing and Health Project was obligated in July 30, 1984. The Project authorized \$11 million in foreign exchange. This was supplemented by the equivalent of an additional \$5.5 million in Somali Shillings provided by the GSDR. The PACD for the Project was June 30, 1988. The Project was developed at the request of the GSDR in response to the ban on cattle from East Africa imposed by Saudi Arabia. The ban resulted in a serious drop in foreign exchange to Somalia. Prior to the ban, over 90 percent of the hard currency generated by the sale of livestock resulted from sales in Saudi Arabia.

### Project Objective

The goal of the Project is to support the expansion of Somali livestock exports and foreign exchange earnings and to increase the income and welfare of the Somali people generally and the livestock industry specifically over the next decade.

Private sector livestock traders will be the primary beneficiaries of the project as cattle exports and resultant incomes are increased. Cattle herders will similarly benefit from the project, since the demand for their animals will increase and pressure on the range will fall with a higher offtake rate. Farmers will benefit from increase in demand and price for fodder stimulated by the needs of the quarantine system. Somali livestock producers in general may benefit from creation of a fodder industry. The rest of the Somali population is expected to benefit from the increased foreign exchange entering the economy as a result of the project.

Project purposes in furtherance of this goal are:

1. The restoration of the contribution of cattle exports to the economy, and
2. The collection and analysis of data on livestock production and marketing which will lead to future improvements in the Somali livestock industry.

### The Project Elements

The Project elements are as follows:

Quarantine and Animal Health - The Project will construct livestock quarantine stations to serve each of the three major ports (Mogadishu, Kismayo and Berbera) and will provide technical assistance to set up an effective quarantine program. The services of a Senior Veterinary Advisor are provided to assist in establishing a Livestock Quarantine Unit to manage and supervise all quarantine activities. The services of a Junior Veterinary Advisor and an Animal Husbandry Advisor are provided to assist in setting up procedures for efficient operation and management of the quarantine stations, including the selection, vaccination and certification of animals in quarantine. Port livestock loading facilities will also be upgraded.

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Private Sector Support for Quarantine Activities - A Livestock Investment Fund (LIF) is to be established. The Fund is currently capitalized at \$2 million and with this amendment will be increased to \$3.0 million. The GSDR will contribute the Somali Shilling equivalent of \$500,000 to the LIF. The Fund will be utilized by the private sector (traders and fodder producers) to purchase equipment, seed, etc. for fodder production for livestock and to transport cattle from the quarantine stations to the port. To the extent possible, the LIF will follow procedures developed for the Commodity Import Program. A Private Enterprise Advisor (PEA) will help determine criteria for distribution of the Fund and will set up procedures for administration of the Fund and procurement of equipment. The PEA will also advise fodder producers to help them improve production and will monitor use and profitability of the Fund.

Studies - The Project proposes to finance three one-year and two short-term studies designed to gain a better understanding of the characteristics, trends and potential of the Somali livestock industry. These studies will identify areas of constraint to improved livestock production and marketing which might serve as the basis for a longer term program. Major studies include international and domestic livestock marketing and the social dynamics of Somali livestock production and marketing. There will also be short term technical studies as needed.

A. Project Performance to Date

The Project Paper originally envisioned that the Project would be implemented through the Department of Animal Health and the Department of Planning, Training and Research within the MLFR. However, because of the importance of the Project to the Somali government, the MLFR created the Livestock Quarantine Unit (LQU) as a separate agency directly responsible to the Minister of Livestock. Coordination of LQU activities and integration into activities of the MLFR Departments of Animal Health and Planning, Training and Research is assured by regular meetings of a Steering Committee.

The MLFR appointed the Project General Manager and provided office space and staff. The Senior Veterinary Advisor arrived and has assisted the LQU in its activities. The LQU has been charged with supervision and certification of all livestock exported from Somalia. The LQU has also created a Marketing Division which has assumed the tasks envisioned in the project as being in the MLFR Department of Planning, Training and Research, notably collection and analysis of marketing statistics. Consequently, the studies will now be part of the activities of the LQU. An organizational chart is included as Annex E.

Construction of the quarantine facilities has been a major bottleneck in project implementation. The MLFR designated sites for the three quarantine stations and has proceeded with portions of the construction funded with local currency. These include improvements to the Mogadishu and Berbera port holding areas, rehabilitation of the Kismayo holding ground at Lahaley for shipment of cattle to Egypt under semi-quarantine conditions, and rehabilitation of the Arooric holding grounds near Burao for Brucellosis testing of sheep before export. The LQU requested that the Feedlot Advisor be brought on board early to assist in preparing animals for shipment to Egypt and other countries and in decisions regarding local currency funded construction on the quarantine stations.

In order to get construction underway, the LQU has also undertaken installation of wells, pumps and generators and outer perimeter fencing at the quarantine stations, although this was not specified as a local currency construction item in the project. The LQU is reviewing design for construction of a new animal isolation unit for the Serum and Vaccine Institute for challenge testing of rinderpest vaccine.

The U.S. Department of Agriculture (USDA) was selected as uniquely qualified to assist on all quarantine-related activities on the project. A PASA was executed with USDA to provide the Senior and Junior Veterinary Advisors and the Feedlot Advisor and to provide design services for the quarantine facilities. In January 1985, a USDA engineer and veterinarian arrived to design the quarantine stations.

Although a rough design of the quarantine stations had been done in order to calculate costs for the budget of the Project Paper, the USDA team felt this design was inadequate to prevent contamination of one lot of cattle by another in the event of a disease outbreak. In the USDA design, a station consists of six "cells", each holding 4,000 head of cattle, separated from each other by a distance of 500 meters. Thus, the total capacity of a station is 24,000 head. (Quarantine station designs are shown in Annex B.)

The cost estimate submitted with the design in May 1985 was \$10.5 million, far above the \$3.919 budgeted for construction in the Project Agreement. The Mission questioned whether a change in design or materials would reduce costs, and the USDA engineer returned to Somalia in August 1985. However, he determined that cost estimates were appropriate, and the technical specifications for the IFB were sent in October.

Training is the other accomplishment of the Project to date. Five participants (the project general manager, field supervisor and three supervisors of the quarantine stations) were sent on a five-week study tour to the U.S., Mexico, Saudi Arabia, Egypt, and Turkey to observe quarantine facilities and feedlot operations and to discuss quarantine and marketing issues with traders and officials in those countries.

Seven participants have also taken a three-week in-country management course given by USDA. The Training Division of the LQU is also developing in-country training plans for veterinary assistants, vaccinators, and others involved in operating and maintaining of the quarantine stations.

Progress of the studies and the LIF has been blocked by delays in contracting with the consulting firm to provide the technical assistance. It was decided during design of the PP that an 8-A Set-aside would be used. The contract has been executed and the marketing studies and LIF are now underway.

B. Rationale for Project Supplement

Progress in the Livestock Marketing and Health Project has been stalled for some time because of insufficient funds for construction of the quarantine stations. Much time and effort has been involved in checking and rechecking the USDA design cost estimate. The MLFR has agreed to a revision and reduction in scale of that design, and it has been agreed by all parties to utilize additional funds principally to cover construction costs for the revised design.

The Somali Government places high priority on completion of the quarantine facilities and has agreed to shift funds from other AID-funded projects to assure the success of the Livestock Marketing and Health Project. A total of \$1.5 million will be deobligated from other AID funded activities. These funds will be reobligated into the LMHP under current AID reobligation/deobligation authorities. In addition, the GSDR has agreed to increase its contribution to the Somali Shilling equivalent of \$16.0 million from \$5.5 million in the original design (\$13 million equivalent coming from the GSDR and \$3 million from LIF generated shillings). Although there is still some uncertainty in AID that the Saudi market will reopen even if an adequate quarantine system is operational, the Somalis contend that other factors which might have contributed to the Saudi ban have been resolved and it is only health problems which remain.

In the three years since the ban was imposed, Somalia has developed new markets for live cattle in Egypt and North Yemen and is investigating the possibility of sales to Turkey and other Gulf States. However, continuation and expansion of these markets is dependent on development of adequate quarantine facilities in the near future.

The Somali Government has given excellent support to the Project. Staff assigned to the Project has been selected from the best of the other divisions of the MLFR. The Ministry of Finance has approved local currency budgets needed to accomplish Project goals and has even approved undertaking certain elements of construction not specified in the Project as part of the local currency funding, such as perimeter fencing, wells and generators, in order to get construction moving.

This Project Paper Supplement introduces no major changes in the Project. Although the size of the quarantine stations will be reduced and the design modified slightly, the concept remains the same. Procurement, training and studies also remain essentially the same, with minor modifications to accommodate for changes in conditions since design of the PP. Thus, the major changes are in the cost of the quarantine stations and the extension of the PACD to allow completion of the project activities.

#### C. Project Activities Yet To Be Implemented

Although almost two years have elapsed since the project was approved, most of the major project activities have yet to be implemented. Specific actions yet to be taken are detailed below, and a revised implementation schedule is included in Annex A. It will be noted that completion of all activities requires extending the PACD an additional eighteen months to December 31, 1989.

#### Construction and Operation of Quarantine Facilities

All cattle holding facilities at the three quarantine stations have yet to be started. Wells, pumps and generators, outer perimeter fencing, offices, laboratories, warehouses, and staff housing, and perimeter and outside roads leading to the stations are being done with local currency by the LQU. Some of these are completed, such as the perimeter fence and wells at Warmahan and wells at Lahaley; others are under construction, such as the perimeter fence at Lahaley and offices and support buildings at Warmahan; and the rest are still in the design and contract stage. It is anticipated that all local currency-funded construction will be complete well in advance of the cattle holding facilities.

In discussions with the MLFR on funding construction, a compromise was reached wherein it was agreed that the maximum capacity of each quarantine station would be decreased from 24,000 to 18,000 head to reduce construction costs, and at the same time, additional funds would be granted to cover these costs.

The capacity of the quarantine stations will be reduced to 18,000 head by eliminating two pens per cell. This will allow expansion of the station by adding additional pens to each cell, should demand for export of quarantined cattle increase. Details are shown in Annex B.

An architectural and engineering (A&E) firm will be contracted to do the necessary design revision and preparation of the technical specifications for the Invitation for Bids (IFB), including preparation of a new bill of materials, cost estimate and implementation schedule. This same firm will assist in evaluation of contractors' bids and will supervise and monitor construction.

After the technical specifications are complete, the USAID/Somalia contracting officer will prepare the Invitation For Bids (IFB). This will be advertised in the Commerce Business Daily and Kenya publications, as well as possibly other countries in AID Geographic Code 941. The contractor will be selected and an AID direct construction contract awarded.

Estimated schedule for contracting for construction is shown in the Implementation Schedule (Annex A). Actual construction is anticipated to begin in early CY87. Construction will begin either at the Mogadishu station at Warmanan or Lahaley at Kismayo. This will allow time for development of fodder resources at the northern station serving Berbera, which will be constructed last.

Shortly before construction is complete, the Junior Veterinary Advisor will begin his tour, and he and the Paedlot Advisor will begin training those employed at the quarantine stations. Training will include vaccination procedures, selection of animals, monitoring the health of animals in confinement, parasite control, feeding, cleaning and sanitation of pens, record keeping, and other procedures necessary to assure smooth and efficient operation of the stations. Since construction of the stations will be in sequence, the advisors will move to each as it is completed to help set up management and operation procedures.

Training for quarantine station staff will be designed as a continuing process, with introductory courses for new staff and regular workshops for employees. A Program Development and Training Department has been established in the LQU to design and administer uniform, standard training activities. (See Annex E: Organizational Chart)

Operation of the stations will require collection of user fees from traders. These fees will be designed to cover maintenance and operation costs of the station and will also include costs of water, vaccines, and handling and certification fees. Feed will not be included in the User Fee so it will be the responsibility of the owner of the animals in quarantine to provide feed. However, the quarantine station staff will advise traders in feeding the cattle and will supervise and monitor all feeding activities.

User Fees will not cover replacement costs of the facilities themselves. It is assumed that with proper maintenance, the lifespan of the stations is at least 20 years, at which time the livestock industry in Somalia probably will have changed considerably. A draft calculation of the User Fee has been done, and it will be recalculated quarterly to assure that maintenance and operating costs are covered. User fees will be paid to a trust fund, partially in US dollars and partially in local currency based on a determined percentage, in order to purchase imported replacement commodities and services.

Consideration for cost recovery will be maintained throughout the LOP. The Mission's cost recovery financing study which will be initiated in December of 1986 will include scrutiny of Project activities, especially those connected with the implementation of the services of the quarantine stations. User fees, as indicated, will initially be calculated to cover operations and maintenance. Once the final design of the stations is completed, the GSDR will be better able to identify those service activities that could be contracted to the private sector. Initial activities being considered are well and water system maintenance, movement of cattle to and from the quarantine stations, production of fodder for the quarantined cattle and needed for the shipping period, and removal and disposal of manure. A major management effort will be made to minimize operational project personnel numbers for the operation of the quarantine stations.

#### Construction of Serum and Vaccine Institute Isolation Unit

Construction of this unit is to be financed with local currency. Dollar inputs will be needed to import some commodities to complete construction, including materials for the cold room, overhead carcass lifting system, and necropsy table. Laboratory equipment and chemicals will also be procured for the isolation unit and national diagnostic laboratories at Mogadishu and Kismayo.

#### Utilization of the Livestock Investment Fund

It is vital to the success of the quarantine stations that sufficient feed be available to maintain the cattle during their period of confinement. Based on experience gained while preparing shipment of cattle to Egypt under semi-quarantine conditions from Lahaley holding ground near Kismayo, it is essential that a fodder industry be developed. Various farmers and traders have expressed interest in growing fodder, and a reevaluation of the equipment needed to produce sufficient fodder has been done. Additional money has been included in the revised budget to procure equipment for fodder harvesting and fodder production. The number of livestock carriers needed to transport cattle efficiently from the quarantine stations to the ports has also been recalculated. Details on this are shown in Annex C.

The first task of the PEA will be to assist the MLFR in meeting conditions precedent for disbursement of the LIF by developing criteria to guide selection of fund applicants. He will then set up administrative procedures for using the fund, in coordination with the USAID Office of Commodity Management.

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The other task of the PEA will be to advise fodder producers in the field on seed selection and methods of growing, harvesting and storing fodder.

### Studies

A Marketing Division has been established in the LQU and is now collecting statistics on exports. As the marketing studies described in the PP are initiated, the consultants will assist the LQU Marketing Division in establishing better data collection and analysis and in dissemination of market information to producers and traders. They will also investigate and help develop ways to increase both domestic and international sales of livestock and animal products.

The User Fee Study described in the PP has been completed. In addition, since design of the PP, government policy on importation of animal drugs has changed, and private importers are now allowed to import specified non-prescription drugs. The study will now focus on the feasibility of private sector in-country drug packaging.

### Establishment of Disease Monitoring Unit

A number of veterinary service projects have in the past and are now gathering data on disease incidence and distribution. However, this information has never been brought together and analyzed to develop a nationwide program of disease prevention. The LQU feels it important to begin collection of this data for use in designing effective pre-quarantine vaccination and parasite control programs, as well as, for use by the National Veterinary Service and other groups involved in veterinary service. Plans are being made for a disease reporting network, drawing on work of the various veterinary service projects (GTZ in the Central Rangelands, IFAD in the Northwest, USAID in Bay Region, etc.) and the Somali veterinary service and national laboratories.

### Training

The Project's training needs have been further defined since the PP. Plans are now to send up to seven people on programs of 9 months for non-degree training in livestock economics, feedlot management, marketing, veterinary field medicine, veterinary laboratory techniques, administrative management, and fodder production. (Proposed training is detailed in Annex D.) A study tour of the U.S. and other countries by five Somali staff to observe quarantine procedures was completed in April, 1986.

### Commodity Procurement

With the change in design of the quarantine stations from one compact unit to widely spaced separate cells, needs for equipment and supplies for operation of the stations have been increased. However, the list of commodities remains substantially the same as that proposed in the original project.

The other area where commodity needs were underestimated in the PP is vehicles. It was assumed that the LQU would be assigned some of the new vehicles given by Italy to the MLFR in response to the emergency created by the Saudi ban. However, the Italian vehicles have proven unsatisfactory for field use. The vehicles inherited from the National Range Agency as the LQU assumed the duties of the ex-Livestock Development Agency in holding animals before shipment are old and in precarious condition. For this reason, fifteen vehicles are included in the increase in commodities in this supplement. These will be assigned to the field operations supervisor, regional supervisor, quarantine station supervisors (3), port veterinary officers (3), training officer, and disease monitoring supervisor, or to technical assistance personnel as needed.

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### III. Cost Estimate and Financial Plan

The Livestock Marketing and Health Project Paper Supplement involves an AID LOP contribution of \$17 million and a GSDR contribution of \$16.0 million (\$13 million equivalent coming from the GSDR and \$3 million from the LIF generated shillings). The latter will be made available through local currency generations from the Commodity Import and PL-480 Programs.

#### AID CONTRIBUTION

##### A. Technical Assistance (\$2,034,000)

AID grant funds will finance about twelve person years of technical assistance, seven person years of long-term assistance and 4.6 person years of consultancies, for a total of 2.034 million dollars. Of this, one million dollars will fund the USDA PASA to provide 7 person years of TA and \$834,000 dollars will fund the Ronco contract to conduct the marketing studies. An Agricultural Economist has been hired under a separate USDA PASA agreement for a total of \$200,000.

##### B. Architectural and Engineering (\$650,000)

An additional 650,000 dollars is budgeted for architecture and engineering services. This A&E firm will oversee the design modifications as well as supervise the construction contract.

##### C. Commodities (\$1,965,000)

The bulk of the commodity funds (1.6 million dollars) will be used to purchase livestock handling equipment, supplies and equipment for the Livestock Quarantine Unit, the Serum Vaccine Unit, and two regional laboratories. An additional 365,000 dollars will be used to purchase 15 vehicles and related spare parts. A detailed list is contained in Annex K.

##### D. Construction (\$8,400,000)

Construction costs will total about 8.4 million dollars. This will be used for the construction of the three quarantine stations of Berbera, Mogadishu and Kismayo.

##### E. Training (\$268,000)

The proposed short-term training will cost 268,000 dollars. Details can be found in Annex D.

##### F. Livestock Investment Fund (\$3,000,000)

It is anticipated that fifteen trucks will be purchased for a total of \$2,250,000. Other equipment which includes mowers, side delivery rakes, balers, cultipackers, seed tooth drills, spike harrows, and pumps for irrigated hay production, as well as seed and chemicals, will total approximately \$750,000. This equipment will be sold to

Somali private businesses for the equivalent purchase price in Somali Shillings. These generated shillings will then be placed in a special account and used for Project purposes. For a more detailed budget, please see Annex C.

G. Evaluation/Audit (\$200,000)

A midterm and a final evaluation are budgeted, as well as one financial audit. Costs for these activities are estimated at \$200,000.

H. Field Support Unit (\$367,000)

The Field Support Unit budget is \$367,000 which includes housing for technical assistance personnel and vehicle maintenance.

I. Contingency (\$116,000)

A contingency reserve is estimated at \$116,000.

GSDR CONTRIBUTION (\$16,000,000)

The total shilling budget in the tables and narrative will be \$16,000,000 SoSh equivalent. The GSDR will contribute \$13,000,000 SoSh equivalent as their contribution to the project, and the remaining \$3,000,000 equivalent will come from the sale of LIF imported commodities.

A. Administration (\$1,300,000 SoSh equivalent)

1. Salary and Benefits - (\$1,162,000 SoSh equivalent)

This item includes funds paid to headquarters staff, local staffs at three quarantine stations, one holding area, and three port facilities.

2. Offices - (\$138,000 SoSh equivalent)

This item will provide funds to pay rental costs of twenty offices, storage, and restrooms of the LQU headquarters.

B. Commodities - (\$1,202,000 SoSh equivalent)

The funding for commodities will be used to purchase furnishings for houses and offices, and purchase implements, hardware, spare parts and all locally available supplies necessary to operate quarantine stations and support facilities. (\$487,000 SoSh equivalent). \$615,000 SoSh equivalent will go to purchase vehicles locally to be available for start up activities of the quarantine station and vaccination operations and for purchasing vehicles at the end of the project for the support of the continuation of the project. \$100,000 SoSh equivalent will be available for clearance fees.

C. Maintenance of vehicles/fuel - (\$1,063,000 SoSh equivalent)

Fuel and vehicle maintenance is estimated to cost \$1,063,000 SoSh equivalent during the life of the project.

D. Livestock Investment Fund (LIF) - (\$500,000 SoSh equivalent)

This item provides funds (along with \$3.0 million U.S.) to encourage private sector local fodder/feed production and to import privately owned trucks to transport cattle from quarantine stations to ports.

E. Construction - (\$7,245,000 SoSh equivalent)

The majority of construction funds (\$6,272,000 SoSh equivalent) will go toward the support facilities of the quarantine stations including on site housing for the staff, offices, laboratories, warehouses, etc. and peripheral supporting sites such as prequarantine areas and marshalling yards. Other construction includes offices and housing at major port areas, perimeter roads at quarantine stations, rehabilitation of fences, water systems and shade at all sites where necessary. Funds will also be used to develop wells and water systems, construct an animal isolation facility at the Serum and Vaccine Institute and for environmental monitoring (\$825,000 SoSh equivalent). Funds will be used for the monitoring of environmental and engineering aspects of the construction for compliance with AID regulations and requirements on these subjects (\$8,000 SoSh equivalent). Funds will be provided for the Serum and Vaccine Institute construction (\$140,000 SoSh equivalent). This animal isolation unit laboratory will be used to house animals for quality control testing of animal vaccines applied at the livestock quarantine stations.

F. Construction Contract Local Currency Expenses (\$3,840,000 SoSh equivalent)

\$3,840,000 SoSh equivalent will go towards local currency expenses of the contractor hired for the major construction of the quarantine stations, including locally hired staff, housing, etc. These Shillings will be made available to the contractor through its contract with AID.

G. Technical Assistance and FSU (\$750,000 SoSh equivalent)

The Technical Assistance teams operating expenses will include Somali Shillings. This is estimated to be \$450,000 SoSh equivalent. The FSU SoSh needs are estimated at \$300,000 SoSh equivalent.

H. Contingency - (\$100,000 SoSh equivalent)

\$100,000 SoSh equivalent is reserved for contingencies. These funds may partially be used for in-country orientation and training of LM&H project staff.

BUDGET REVISION

Table 4

U.S. DOLLAR BUDGET

<u>Line Item</u>	<u>ProAg</u>	<u>Change</u>	<u>New Total</u>
	<u>(-----U.S. \$1,000-----)</u>		
Technical Asst.	3,117	-1,083	2,034
A & E	0	650	650
Commodities	1,619	346	1,965
Construction	3,919	4,481	8,400
Training	145	123	268
LIF	2,000	1,000	3,000
Evaluation/Audit	0	200	200
FSU	200	167	367
Contingency	0	116	116
<b>TOTAL</b>	<b>11,000</b>	<b>6,000</b>	<b>17,000</b>

Table 5.

SUMMARY (\$000's)

<u>Budget Category</u>	<u>FY 85</u>	<u>FY86</u>	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>LOP</u>
Technical Asst.	55	435	979	435	130	2034
A&E	--	100	300	250	--	650
Commodities	52	421	821	621	50	1965
Construction	--	--	5600	2800	--	8400
LIF	--	100	1500	1400	--	3000
Evaluations	--	--	100	100	--	200
FSU	--	112	112	112	30	367
Training	--	43	105	100	20	268
Contingency	--	--	--	83	33	116
<b>TOTAL</b>	<b>107</b>	<b>1212</b>	<b>9517</b>	<b>5901</b>	<b>263</b>	<b>17,000</b>

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Table 6

Detailed Budget (\$000's)

<u>Line Item</u>	<u>FY 85</u>	<u>FY86</u>	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>LOP</u>
<b>TECH. ASST.</b>						
PASA-Sr. Vet	--	140	140	140	--	420
-Jr. Vet	--	--	--	130	130	260
-Feedlot	--	65	135	65	--	265
-Design	55	--	--	--	--	55
PASA TOTAL	55	205	275	335	130	1,000
<b>Ronco</b>						
-Dom Mkt	---	20	154	---	---	174
-Int Mkt	--	45	135	--	--	180
-Socio.	--	20	150	--	--	170
PEA	---	45	135	---	---	180
Misc	---	---	30	100	---	130
Ronco TOTAL	--	130	604	100	---	834
<b>PASA AG ECON</b>						
TOTAL TA	55	435	979	435	130	2034
<b>A&amp;E</b>						
Evaluations	--	--	100	100	--	200
FSU	--	113	112	112	30	367
CONTINGENCY	--	--	--	83	33	116
<b>COMMODITIES</b>						
Vehicles (15)	24	80	120	--	--	224
Spare parts	---	20	25	20	10	75
Quar. equip.	---	121	504	521	20	1166
Labs	---	---	10	---	---	10
SVI	---	---	60	30	---	90
Misc	28	200	102	50	20	450
TOTAL COM.	52	421	821	621	50	1965
<b>CONSTRUCTION</b>						
Station #1	--	--	2800	--	--	2800
Station #2	--	--	2800	--	--	2800
Station #3	---	---	---	2800	---	2000
TOTAL CONS.	--	--	5600	2800	---	8400
LIF	--	100	1500	1400	--	3000
<b>TRAINING</b>						
Study Tour	--	43	--	--	--	43
S/T (43 pm)	---	---	105	100	20	225
TOTAL TRAIN.	---	43	105	100	20	268
TOTAL PROJ	107	1212	9517	5901	263	17,000

Table 7

SOMALI SHILLING BUDGET IN U.S. DOLLAR EQUIVALENTS

<u>Line Item</u>	<u>ProAg</u>	<u>Change</u>	<u>New Total</u>
		(-----U.S. \$1,000-----)	
Administrative Expenses	593	707	1,300
Commodities	176	1,026	1,202
Fuel & Maintenance of Vehicle & Equipment	2,141	-1,078	1,063
Construction	2,590	4,655	7,245
LIF	--	500	500
Const. Contract Trust Funds	--	3,840	3,840
Tech Assist	--	450	450
FSU	--	300	300
Contingency	--	100	100
<b>TOTAL</b>	<b>5,500</b>	<b>10,500</b>	<b>16,000*</b>

\* This total includes both the GSDR contribution of \$13,000,000 and the \$3,000,000 SoSh equivalent generated within the project by the equipment sold under the LIF.

**PROJECT TRUST FUNDS**

A total of \$750,000 SoSh equivalent will be placed in the USAID Project Trust Funds. This total includes the Technical Assistance local operating costs of \$450,000; and the FSU local currency costs of \$300,000 SoSh equivalent.

**CONSTRUCTION CONTRACT LOCAL CURRENCY**

A total of \$3,840,000 SoSh equivalent is estimated for local costs of the Construction Contractor. These funds must be made available by the GSDR in a special account before the construction contract is let to ensure that the construction can proceed as rapidly as possible.

TABLE 8

Local Currency Budget (U.S.\$000's)

<u>Budget Line Item</u>	<u>FY85</u>	<u>FY86</u>	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>LOP</u>
<b>ADMIN.</b>						
- Salary & Benefits	68	138	236	320	400	1162
Offices	<u>11</u>	<u>22</u>	<u>27</u>	<u>33</u>	<u>45</u>	<u>138</u>
TOTAL TA	79	160	263	353	445	1300
<b>COMMOD.</b>						
Equip & Suppl.	94	57	86	100	150	487
Local Support Items	49	140	145	140	141	615
Port Clearance	<u>1</u>	<u>16</u>	<u>52</u>	<u>21</u>	<u>10</u>	<u>100</u>
TOTAL COMM.	144	213	283	261	301	1202
MAINT./FUEL	54	164	246	286	313	1063
LIF	--	--	500	--	--	500
<b>CONSTRUCTION</b>						
Rehab.	336	1412	2172	2107	245	6272
Wells, gen.	174	176	268	107	100	825
Environ.	--	2	2	2	2	8
SVI constr.	<u>--</u>	<u>18</u>	<u>122</u>	<u>--</u>	<u>--</u>	<u>140</u>
TOTAL CONST.	510	1608	2564	2216	347	7245
Const. Contract Trust Funds	--	--	2560	1280	--	3840
TECH ASSIST**	--	125	150	125	50	450
FSU	--	50	100	100	50	300
CONTINGENCY	<u>--</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>65</u>
TOTAL PROJ	787	2345	6691	4646	1531	16,000*

\* This total includes both the GSDR contribution of \$13,000,000 and the \$3,000,000 SoSh equivalent generated within the project by the equipment sold under the LIF.

\*\* Includes local expenses for Technical Assistance Personnel (See Annex I).

#### IV. Implementation and Monitoring Arrangements

Overall implementation responsibilities, procurement, contracting and monetary arrangements remain unchanged from the original design. In terms of contracting, USAID has made the determination that all contracting will be under the AID direct contracting mode, including the construction contract. The Action Memorandum justifying this position is contained in Annex F. An updated schedule of major implementation activities is shown in Annex A.

##### Responsibility of A/E Firm

Because the mission has selected an AID direct contract mode for the construction portion of this project, it has been decided that an A&E firm should be hired to provide the contract administration and construction supervision. The A&E firm shall have authority and responsibility for the following:

##### General Responsibilities:

- Recommendations for sign offs, acceptances and other necessary contract actions, including amendments and termination.
- Assure full compliance with terms, requirements and performance under the contract.
- Liaison with the Government of Somalia (GSDR) to assure GSDR responsibilities related to project implementation (e.g., customs clearance) are carried out in a timely fashion.
- Modifications and design changes within scope of work of the project.
- Supervision of construction and related services.
- Supervision of procurement and related services.
- Verification of the methods of accomplishment.
- Inspection.
- Acceptance.
- Certification of invoices towards payment to Contractor.
- Review and recommendation of change orders and modifications.
- Periodic progress reports to USAID.
- Facilities acceptance inspection.

##### Specific Responsibilities:

- Assist Mission in evaluation of construction proposals and award of construction contract.
- The A&E firm shall take such steps as necessary to assure compliance with applicable laws and regulations of the host country, U.S. agreements with the host country and the legislation governing AID.

##### Grey Amendment Contracting

A contract amounting to \$850,000 has been signed with RONCO under provisions of Section 8 (A) of the Small Business Act. Under the contract RONCO will assist in implementing the studies component of the project. At this time USAID does not foresee any major additional minority contracting under the project. A&E and construction firms will be urged to utilize minority firms under any anticipated sub-contracts, and will be required to file a subcontracting plan.

V. Revised Economic Analysis

This economic analysis incorporates costs expended by the Project to date, an additional 6.0 million dollars for commodities, construction, training and the livestock investment fund and current price relationships for costing inputs and for estimating Project revenue. In this analysis and in the Project Paper, it is assumed that cattle exports will not occur without these quarantine stations. Although some cattle are now being exported there are indications that these markets may not be willing to import cattle that have not been quarantined in future years. Other assumptions used in this analysis are given in Table I.

With the changes discussed above, the IRR is 18 percent which is probably close to the opportunity cost of capital in Somalia. The project breaks even during the ninth year (Table 2). While the project is viable if implemented as proposed and if the assumptions used are valid, it is very sensitive to cost increases and revenue shortfalls and delays (Table 3). With only a 10 percent increase in costs or a 10 percent decline in revenue the IRR becomes negative. If revenue is delayed by one year the IRR declines to 13 percent.

The Project participants are the cattle merchants. For the Project to be successful, conditions under which the merchants are to conduct their business must be such that they can maintain a viable operation. Calculating a financial rate of return to the export merchants is inappropriate. The export market will represent at least 50 percent of cattle sales and will be a primary determinant of the domestic cattle price. Since the many small cattle producers are price takers, traders will set the producer price at a level that will cover their costs (including a profit). That is, they will maintain their margin regardless of what the export price is. This of course only holds true to the point at which producers will no longer sell cattle if the price is too low. At the same time if traders are not able to cover their costs at prices producers are willing to accept, they will discontinue exporting.

Cattle herder benefits will occur primarily from an expanded market. There is not likely to be any significant change in relative producer prices if other current price relationships prevail.

For the quarantine stations to continue their operation following the development period, they will have to collect fees totaling U.S. \$2,518,000 annually or U.S. \$16.80 per head if the project export goal of 150,000 head is attained. If any of the investment funds are to be recovered, or less than the planned 150,000 cattle are exported, a higher users' fee will be required.

Net foreign currency earnings over the life of the facilities (20 years) is estimated at U.S. \$870,000,000 or on the average about U.S. \$43,000,000 per year. (The assumptions, cash flow projections and sensitivity analysis are contained in Annex G).

ANNEX A

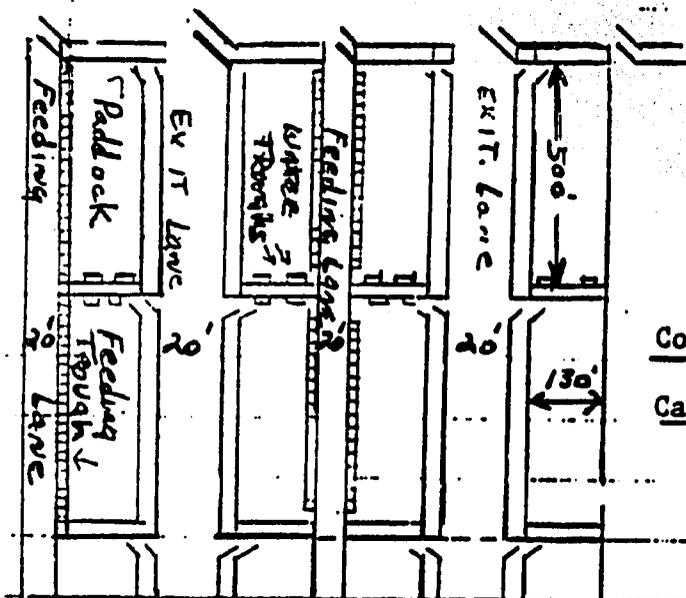
REVISED IMPLEMENTATION SCHEDULE

		85	86	87	88	89	90
		Jan					
Who	Status	2	2	1	4	3	2
Proag Signed	AGR, MLFR, +	D M	.	.	.	.	.
Initial CPs Met		D ==	.	.	.	.	.
PASA negotiated and signed	USDA, AGR, +	D ----	.	.	.	.	.
Final Design Quarantine Sta.	USDA, MLFR+	D	=====	.	.	.	.
Select. of Studies Contractor	AGR, MLFR	D	.M	.	.	.	.
Senior veterinarian on board	USDA, LQU	.	.	+++++	+++++	+++++	+++++
Revolving Fund established	AGR, MLFR	D	.	M.	.	.	.
H2O Wells Comp. Quaran. Loc	MLFR	.	.	+++++	.	.	.
RONCO signed	AID/W	D	.	M	.	.	.
Quarantine mgr/trnr on board	AGR, LQU	.	.	+++++	+++++	+++++	+++++
Contract A&E firm	AGR, ENG, M+	C	.	++	.	.	.
SVI Isolation Unit dsn & const	SVI	.	.	+++++	.	.	.
Lvst Int'l Mkt. Analyst on bd.	AGR, PTR	.	.	+++++	.	.	.
Private Sector Advisor on bd.	AGR, SMO, M+	.	.	+++++	.	.	.
Drugs, vaccines, lab ordered	AGR, SVI	.	.	>M	.	.	.
Quarantine equipment ordered	AGR, LQU	.	.	>M	.	.	.
Develop participant criteria	SMO, AGR, M+	.	.	----	.	.	.
Social Scientist on board	AGR, PTR	.	.	-----	.	.	.
Revision Final Design	A&E, SMO, E+	C	.	==	.	.	.
Domestic Marketing Adv. on Bd.	AGR, PTR	.	.	-----	.	.	.
Prepare PIOT & IFB	AGR, CO	.	.	==	.	.	.
Advertise	CO	.	.	==	.	.	.
Investors identified	SMO, MLFR	.	.	==	.	.	.
Distribute IFB	CO	.	.	==	.	.	.
User Fees Study	AGR, MLFR	.	.	=	.	.	.
Livestock Fund established	SMO, MLFR, +	.	.	M	.	.	.
Long-term participant training	AGR, PTR	.	.	=====	.	.	.
Bids preparation		.	.	==	.	.	.
Jr. Veterinarian on board	AGR, LQU	.	.	=====	.	.	.
Qrntn Const. Contractor select	AGR, ENG, L+	.	.	.M	.	.	.
Bids evaluation	AGR, CO	.	.	==	.	.	.
Contractor Selection	AGR, CO	.	.	==	.	.	.
Quarantine equipment arrives		.	.	==	.	.	.
Award Contract		.	.	=	.	.	.
Mid-term evaluation	PROJ, AGR, +	.	.	M	.	.	.
Drug purchasing study	AGR, LQU	.	.	==	.	.	.
Market diversification study	AGR, PTR	.	.	==	.	.	.
Mobilization		.	.	==	.	.	.
Drugs, vaccines arrive	AGR, LQU	.	.	M	.	.	.
Construction Site 1	AGR, ENG, L+	.	.	=====	.	.	.
Quarantine system operational	AGR, ENG, L+	.	.	=====	.	.	.
Construction Site 2	AGR, ENG, L+ p	.	.	=====	.	.	.
Construction Site 3	AGR, ENG, L+ p	.	.	=====	.	.	.
A&E Construction Supervision	ENG	pC	.	.	=====	.	.
Final evaluation	PROJ, AGR, +	C	.	.	.	==	.

D Done                      == Task                      - Slack time (==---), or  
 C Critical                    +++ Started task              Resource delay (---==)  
 R Resource conflict        M Milestone                  > Conflict  
 p Partial dependency  
 Scale: Each character equals 1 month

ANNEX B

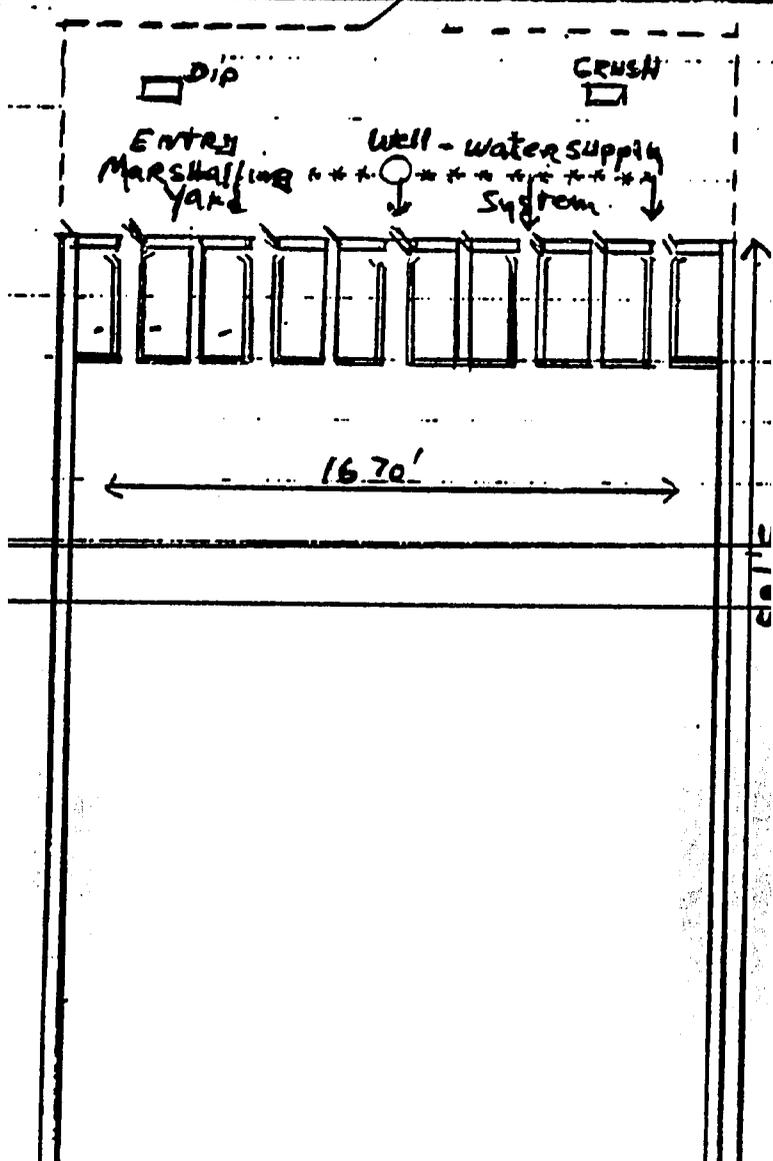
A.  
CONSTRUCTION DESIGN  
IN P.P.

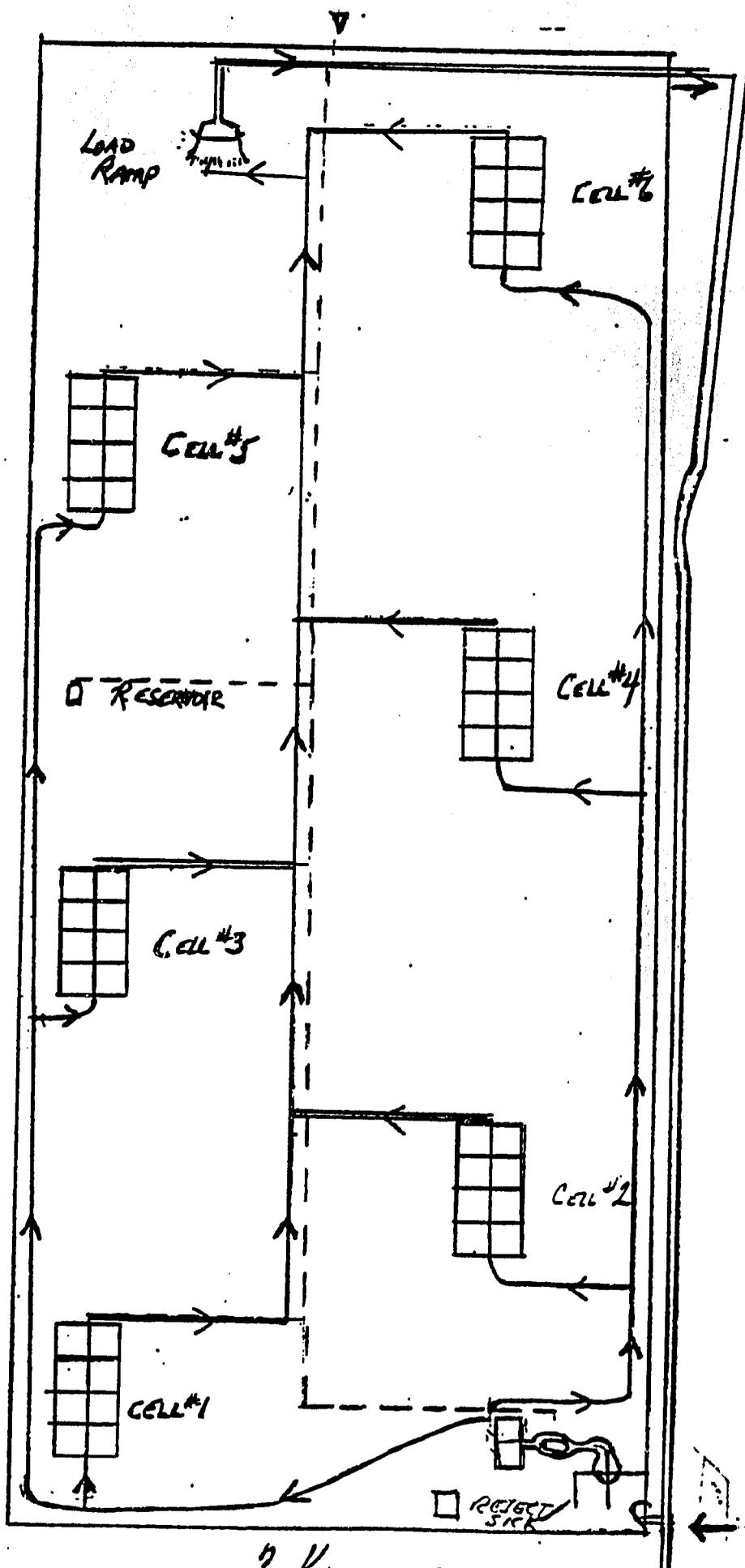


15' Between double Fences

Construction design in PP ...

Capacity: 100 pens, each holding 200 cattle  
Total - 20,000 head





B.

USDA construction design

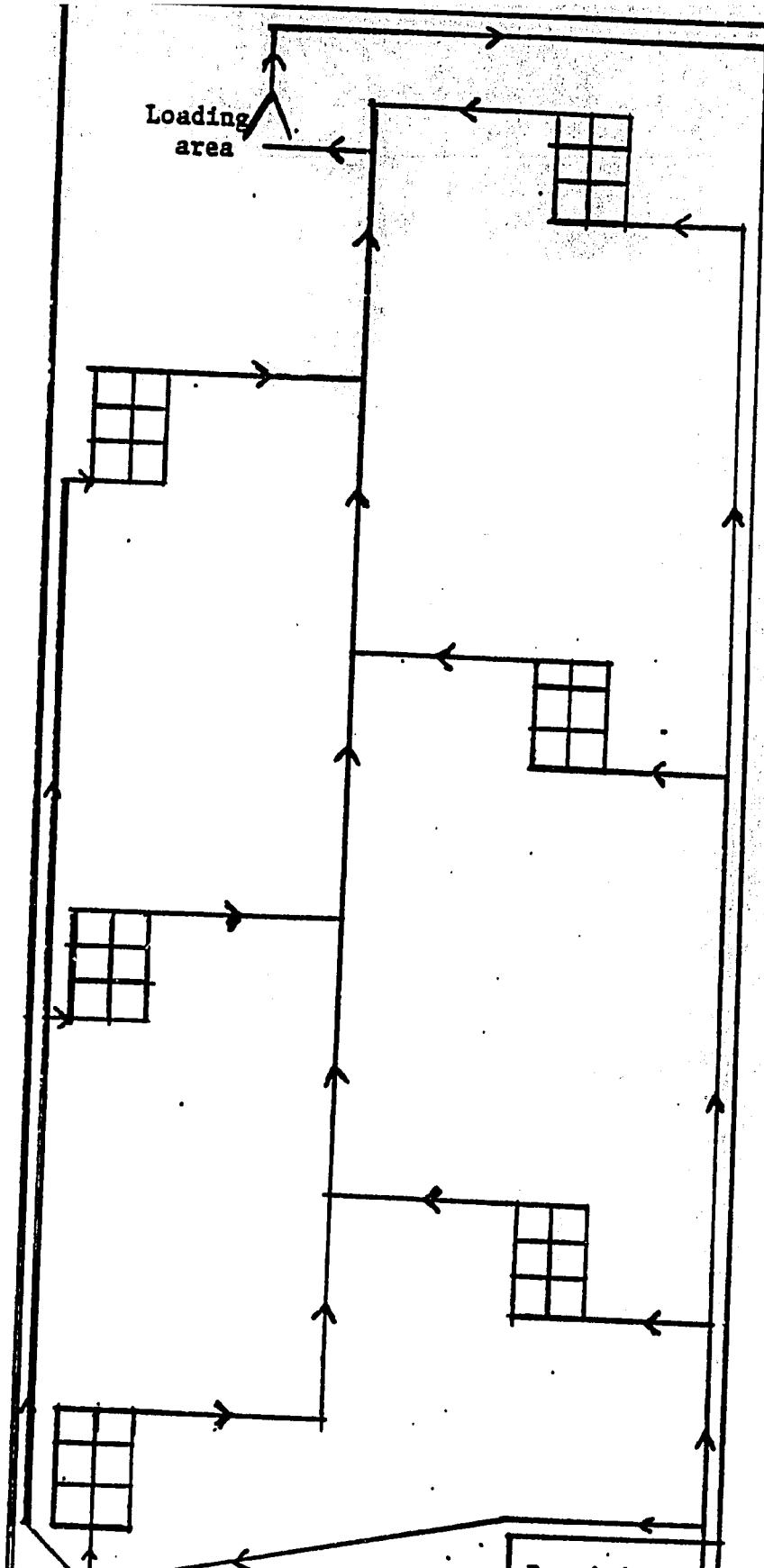
Consists of 6 "cells" each with 8 pens holding 500 head, for a total of 24,000 animals at each station.

Cells are separated by minimum 500 m.

Arrows indicate traffic flow of cattle to prevent quarantined cattle from using same roads as those entering quarantine.

(Station shown in this example is Berbera. Other stations are similar in design.)

Scale: approx. 1:20,000



OUT  
C.

~~Original~~ Reduced  
construction design  
revision.

Each "cell" has six pens, each holding 500 head, for a total at the station of 18,000 head.

ANNEX C

LIVESTOCK INVESTMENT FUND

While the purpose and implementation of the LIP will remain the same, the amount of equipment which will be needed for fodder production and livestock transportation has been recalculated.

A. Fodder Production Equipment

Although there is no way to determine the equipment which will actually be purchased using the fund, since it is not now known how many people will be growing fodder, what crops will be used, how they will be harvested, stored, transported, etc., a rough estimate has been made as follows:

Average 150,000 head per year, 21 days in quarantine, 2 days processing in, 2 days processing out, 1 day in port, 4 days ship feed: Total 30 days feed, at 20 lb dry feed per head per day equals 45,000 tons of feed needed per year.

Two options were calculated:

- a) Grass hay, one cutting per year, at 2 tons/acre = 22,500 acres needed for production.
- b) Irrigated hay, 8 cutting per year, at 8 tons/acre = 5,625 acres needed for production.

Equipment costed for calculations includes mowers, side delivery rakes, baler, cultipacker, seed tooth drill, spike harrow, and pumps for irrigated hay production. Also included are seed and chemicals.

Option a equipment cost is \$1,081,697.

Option b equipment costs is \$431,330.

Since the above calculation assumes optimum use of equipment, with no duplication or underuse and no allowance for the fact that fodder must be produced for three widely separated quarantine stations, the actual value of equipment needed to produce all the fodder needed by the quarantined animals will be higher than this. On the other hand, it is assumed that some fodder supplied to the stations will be gathered in the traditional method now used of collecting wild grass for feeding green or dried.

B. Livestock Transport Equipment

Once again, it is impossible to know what equipment will actually be purchased. Some livestock trucks are already operating in Somalia, especially in the North. However, it is important that quarantined cattle be trucked to the port and not allowed to walk through areas inhabited by unquarantined animals. Therefore, transport needs were calculated as follows:

Assuming an average distance of 50 km from the quarantine station to the port, for an approximate turn-around time of 2 hours, a truck could make a maximum of 6 loads in 24 hours. An average livestock truck/trailer holds about 50 bulls. To move one cell of cattle (3000 cattle) to a ship in 2 days time would require 5 trucks. For all three ports, this would mean 15 trucks. At an average cost of \$150,000, the total cost for livestock transport is estimated at \$2,250,000.

An additional \$1.0 million dollars and \$.5 million dollars Somali Shillings equivalent was requested for the LIF to cover these costs, for a total in the Fund of \$3.0 million U.S. dollars and \$.5 million dollar Somali Shillings equivalent.

ANNEX D

PROPOSED TRAINING

The LQU proposes training at seven to nine participants in specialties which are felt essential for continued operation of the program after termination of the project. Training will be non-degree programs of approximately two academic quarters each, possibly with an extra summer session. Participants will be awarded a certificate of completion of coursework at the end of their training. If possible, a special project will be designed by the student and his advisor to serve as one credit course. Such a project will have direct applicability to the participant's work in Somalia.

Since a degree is not sought, the amount of flexibility in coursework is increased. Courses should be selected with respect to direct application to project needs and the participant's job. However, an evaluation of the project training program will be conducted after one year to determine if adjustments are necessary, particularly if master's programs are desirable. Funds are in this amendment to expand two of the fields listed below for master degree programs if needed. Proposed fields of study and suggested coursework are:

1) Livestock Marketing - Winter '86

Market surveys, statistical analysis and use of computers  
Market pricing  
Livestock production and financing  
Sales promotion and advertising  
Grading and standards for livestock

2) Feedlot Management - Winter '86

Livestock nutrition and feeding  
Farm and feedlot management  
Feedlot sanitation and disease prevention  
Feedlot mechanization

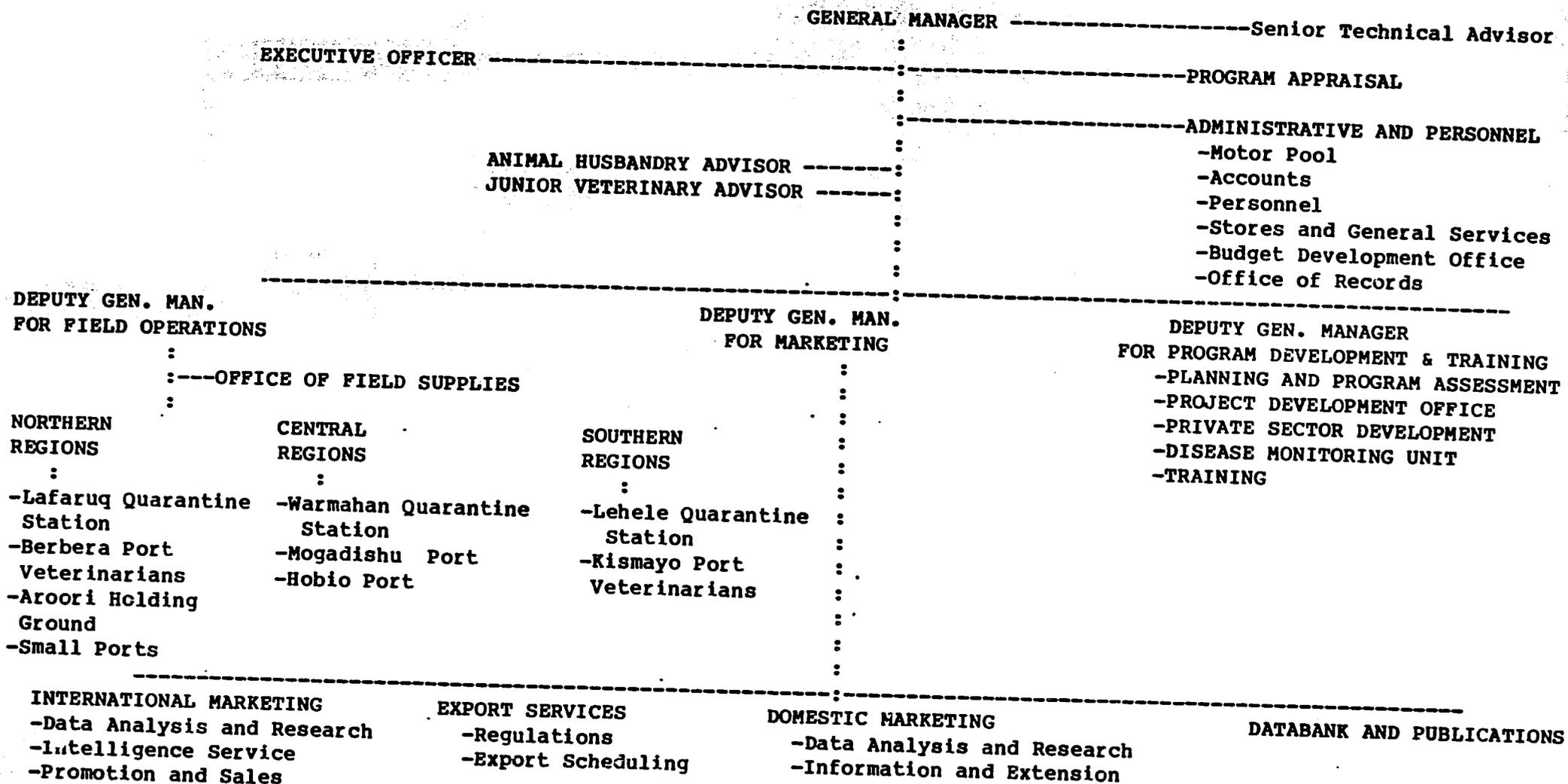
3) Field Animal Health - Winter '86

Infectious diseases/diagnosis, vaccination and prevention  
Parasitology/prevention and treatment  
Epizootiology  
Animal nutrition and handling  
Use of computers and basic statistics

- 4) Administrative Management - Fall '87
  - Effective management and supervision
  - Budgeting and financial management
  - Accounting
  - Record keeping and filing
  - Use of computers
  
- 5) Fodder Production - Spring '88
  - Pastures and grasses
  - Seed selection/preservation
  - Farming techniques, fodder production
  - Fodder preservation, storage and transport
  - Economics of fodder production
  - Financial management and farm business
  - Extension service methods
  
- 6) Veterinary Laboratory Technician - Spring '88
  - Necropsy and sample collection
  - Pathology and parasitology
  - Basic laboratory techniques
  - Histology and biochemistry
  - Sample design, analysis and evaluation
  
- 7) Livestock Economics and Statistics - Winter '88
  - Agriculture and livestock economics
  - International economics and business
  - Livestock data collection and analysis
  - Project formulation and operation

ANNEX E

ORGANIZATIONAL CHART - LIVESTOCK QUARANTINE UNIT



ANNEX F

ACTION MEMORANDUM TO THE DIRECTOR

June 30, 1986

FROM : E. Biggs *EB* PRO

SUBJ : Quarantine Station Construction under the Livestock  
Marketing and Health Project (649-0109)

Issue

Requested to approve direct AID contracting for the subject

Discussion

USAID is about to commence with the development of a Project Paper Amendment for the subject project. The amendment will add additional funding, principally, for the construction of the three quarantine facilities and for the Livestock Investment Fund which will make equipment and commodities available to the private sector for fodder production in support of the quarantined animals. Critical to the successful completion of the quarantine facilities is the contracting mode. The original project paper envisioned a direct AID contract to a firm selected by USAID with MLFR concurrence. (p.22)

The Project Committee has reviewed the original determination in the light of guidance from the Regional Legal Advisor who recommends that Mission utilize a host country contract instead of a direct contract (attachment). The RLA advised that historically AID has strongly discouraged the use of direct AID construction contracts because such contracts impose substantial legal liabilities on AID, permit AID to assume in the full costs of construction which were not anticipated at the time of contract, and impose a heavy administrative burden on AID.

An AID direct contract will increase AID's legal liabilities. However, the Project Committee is not that certain that these liabilities are effectively diminished by a host country contract. Particularly if the GSDR is not capable of administering a significant construction contract. The MLFR has never done a construction project of this magnitude and does not have access to qualified personnel to adequately administer and implement a host country contract or interact effectively with contract personnel who could provide these services.

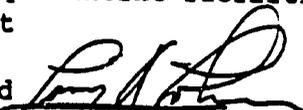
As regards the cost implications, Mission has included adequate contingency in the construction budget. In addition, the contract will be a fixed cost contract. Furthermore, many of the U.S. dollar expenses anticipated can be funded with shillings if required. Finally, the construction will be phased and is of such a nature that the objectives of the Project can still be met, if for some unforeseen reason, adequate funds are not available to completely finish the third facility.

The administrative burden of the USAID will be increased. However, the Project Committee and particularly the Office of Engineering Contracting Office, where the burden will be the greatest, feel that the direct contracting mode is the only way to implement the construction for the quarantine facilities in a timely manner. To alleviate the engineering workload, the project amendment will make provision for full time A/E support to supervise construction and administer the contract on USAID's behalf.

In conclusion, The Project Committee strongly recommends that the direct AID contract mode be utilized. This was the contracting mode originally envisioned in the original design and nothing has changed within MLFR to alter the validity of the original determination. The Project Committee strongly feels that the MLFR does not possess the administrative and engineering skills to administer a host country contract of this magnitude. Given the delays already experienced and the high priority the GSDR gives the project in restoring cattle exports, it is not felt that the institutional capability can be built within the MLFR and still complete the facilities in a reasonable time period.

#### Recommendation

Chapter 3A of Handbook 1B states that "Mission Directors are responsible for assuring that project design assigns procurement responsibility in a manner which best fits the particular circumstances and will result in the most effective implementation of AID-financed projects. There is no longer a stated agency preference between AID-direct and host country contracts". For the reasons stated above, the Project Committee recommends you approve an AID direct contract for construction of the quarantine facilities under the Livestock Marketing and Health Project

Approved 

Disapproved \_\_\_\_\_

Date JUL 7 1986

32 - *Bobie*  
*preparing*  
*memo for*  
*L.A.C.*

*L & C*  
*where are we*  
*going with*  
*this?*

*We should do as she*  
*suggests. i think MPW*  
*has greatest capacity*  
*around, so it sh.*  
*be difficult.*

MEMORANDUM

DATE : January 9, 1986  
TO : Gary Nelson, DD  
FROM : Belinda Barrington, RLA  
SUBJ : Host Country Contracting

*BIB*

Dan Vincent just brought to my attention an extensive file of host country contracting capabilities of the PCR that prepared in connection with letting the Kismayo port construction contract. The analysis of capability presented in this material (a March 1984 Report by Theodore Lustig and a February 1984 Assessment by Jack Smith) cogently argues for the Mission's decision to directly contract for the Kismayo Project. The analysis does not cover contracting capabilities of GSDR entities other than the MPW and the Somali Port Authority and covers those primarily in terms of the one construction activity under consideration. While I do not mean to suggest that as much work go into making a determination of host country versus direct contracting for the quarantine station under the Livestock Marketing Project, Chapter 3 of HB 1, Supp. 3 does require that the Mission Director make a formal decision on responsibility for contracting, duly justified in accordance with criteria set forth in Paragraph 3A2b of HB 1, Supp. 3, including an analysis of the contracting capabilities of the Ministry of Livestock, Forestry, and Range.

I do not have to agree with your Mission's determination.

B.Barrington:al:0326p

MEMORANDUM

DATE : September 26, 1985  
TO : Phil Warren, AGR  
FROM : Belinda Barrington, RLA *B/LB*  
SUBJ : Mem Con of September 24, 1985

Participants: Phil Warren, Pam Procella, Ray Fox, Frank Thetford,  
and Belinda Barrington

Aspects of the Livestock Marketing and Research Project (649-0109)  
and the Central Rangelands Development Project (649-0108) were  
discussed.

Discussion on Livestock Marketing concerned the scope and mechanics  
of contracting for the quarantine facility. USAID participants  
stated that Mission management had determined that an AID direct  
construction contract would be used instead of a host country  
contract. The RLA advised that historically AID has strongly  
discouraged the use of direct AID construction contracts because  
such contracts impose substantial legal liabilities on AID, permit  
AID to assume in full costs of construction which were not  
anticipated at the time of contract, and impose a heavy  
administrative burden on AID particularly on USAID engineering  
staff, who have to closely monitor construction progress and give  
directions to the construction contractor during the course of  
construction unless a contract engineer or an A and E firm is hired  
by USAID to supervise construction. It was agreed that the RLA  
would bring this to the attention of the Deputy Director.

Secondly, a short discussion was held on whether the contract should  
be denominated in both local currency and foreign exchange or just  
in foreign exchange, with peripheral construction and renovation  
activities, comprising largely local costs, given to a second,  
local, contractor. It was proposed by the RLA that in order to  
minimize the burden on the Mission of contract administration and in  
order to minimize potential problems of coordination between two  
contractors, the whole work be awarded to one prime contractor who  
could then hire a local subcontractor to do peripheral construction  
and renovation work. The prime contractor, who would not be Somali,  
would be responsible for importing any commodities needed for all of  
the construction work.

The RLA was asked whether an Italian contractor present in country  
could compete for the contract and advised that only firms of Code  
941 or the US would be eligible to receive a contract denominated in  
dollars or partially in dollars.

On the CWP, the RLA's concern with mission participation was reasons for believing that a 15% adjustment is needed to account for time in Project activities since initial design. She mentioned that the PDC/PLMINT should note those ways in which project implementation has deviated from project design, identify those aspects made in the PP which were fundamental to project design but which have proven to be incorrect, revise as necessary the PP's analysis of project beneficiaries, economic rate of return **AND ECONOMIC** analysis, and report on sources of funding among donor agencies from what was set forth in the PP. The RLA suggested that the change in scope of the project be discussed and justified in light of what the RLA has now **learned** of the ability to absorb project inputs. The Amplified Project Description in the Grant Agreement must be amended, by PIL, to reflect the revised project outputs, and the PACD must also be extended, by PIL, to accommodate extension of the range component.

The RLA briefly reviewed the LBI host country contract, and agreed that the proposed amendment adding new personnel and extending the period of the contract does not constitute a new procurement amendment requiring competition.

Annex G

Table 1

ECONOMIC ANALYSIS ASSUMPTIONS

1. Annual Cattle Sales: 75,000 head the fourth year and 150,000 head per year in subsequent years.
2. Average Annual Recurrent Costs (year six and onward): U.S. \$2,518,000 or U.S. \$16.80 per head.
3. Exchange Rate: So.Sh. 120 per U.S. \$1.
4. Fodder Price: So.Sh. 4,800 per ton.
5. Fodder Requirements (9 kilograms pre day per animal for 30 days): 230 kgs per animal or total annual requirements are 40,500 metric tons.
6. Importer Cattle Prices: U.S. \$360 per head.
7. Middlemen Commission: So.Sh. 200 per head.
8. Producer Cattle Price: So.Sh. 24,950 per head.
9. Shipping Charge (Sea): U.S. \$85 per head.
10. Trucking Costs: So.Sh. 300 per head.

41x

TABLE 2

LIVESTOCK MARKETING & HEALTH PROJECT  
CASH FLOW (US\$,000)

FY	TECH ASST	COND.	CONS	LIF	TRN	O&M	CATTLE	TOTAL COST	REV	CASH FLOW	ACCUM CASH FLOW
1	55	186	298			163		707		-702	-702
2	538	641	938	100	45	515		2877		-2877	-3579
3	1256	1092	6995	2000	86	1319		12733		-12738	-16317
4	919	787	4120	1400	52	1863	23190	32141	27000	-5141	-21458
5	440	377	834		22	2113	46200	50085	54000	3914	-17544
6		184				2113	46200	48477	54000	5503	-12041
7		540		100		2113	46200	48953	54000	4179	-6754
8		608		700		2113	46200	49821	54000	4179	-2815
9		531				2113	46200	48844	54000	5156	2341
10		160				2113	46200	48477	54000	5527	7868
11		184				2113	46200	48477	54000	5503	13371
12		540		100		2113	46200	48953	54000	5047	18418
13		608		2000		2113	46200	50921	54000	3079	21497
14		531		1400		2113	46200	50244	54000	3726	25253
15		160				2113	46200	48477	54000	5527	30780
16		184				2113	46200	48477	54000	5503	36283
17		540		100		2113	46200	48953	54000	5047	41330
18		608		900		2113	46200	49821	54000	4179	45309
19		531				2113	46200	48844	54000	5156	50665
20		160				2113	46200	48477	56471	7998	58663

TOT 3253 8966 12877 9000 205 37505 762300 83410 893471 59365  
RES. VAL. 711 1760

NET PRESENT WORTH @ 15% 2402  
IRR 17.7%  
BENEFIT COST RATIO 1.010

\*\*\*\*\*  
EX. RATE= So. Sh. 120/us41  
50,000 & 25000 animals exported from Mogadishu and Kisaayu in yr 4  
150,000 animals exported yr 5 - yr 20  
The project breakseven in yr 9

Table 3

ECONOMIC ANALYSIS SENSITIVITY ANALYSIS

	<u>IRR</u> (Percent)	<u>Benefit Cost Ratio*</u>	<u>Net Present Worth*</u> (U.S. \$1,000)
Basic Solution	17.7	1.01	2,402
Ten Percent Increase in Cost	-12.0	0.92	-17,300
Ten Percent Decrease in Revenue	-21.0	0.08	-17,540
Revenue Delayed One Year	13.2	0.99	-1,766

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\* Discounted at 15 percent.

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ANNEX H

GSDR SHILLING BUDGET

All Somali Shilling sums are stated in equivalent U.S. Dollars

1. Administration (\$1,300,000)

a. Salary and Benefits - (\$1,162,000)

Salary and Benefits under this item are paid to a headquarters staff consisting of the General Manager and three Division Directors: Marketing; Field Direction of Quarantine Stations; Administration, and Program Development and Training. Each Division has a specialized staff with responsibilities such as: market analysis and development; private enterprise of fodder production and development; quarantine station supervision, sanitation, and livestock health; and admin management including personnel, procurement, and motor pool. In addition there are professional senior officers for both planning, training, and disease monitoring. At full complement the headquarters staff will total 60 plus professionals and support personnel.

Also included in this item are salaries and benefits for personnel at each of three quarantine stations (Kismayo, Mogadishu, and Berbera), one holding area (Aroorie) and three port facilities. The quarantine stations will have a full complement of approximately 73 people each while the port facilities have staffs of 19 people. Aroorie has a local staff of 22 people.

b. Offices - (\$138,000)

The headquarters offices provided in this item are in rented quarters located on the fourth and fifth floors of the Banana Board Building in downtown Mogadishu and consists of twenty offices plus rooms for storage and restrooms. Most offices have been provided with furniture and limited office equipment.

Each quarantine station will have modest offices and equipment for approximately 6-8 staff members plus a conference/training room on the premises.

Each port facility and area headquarters will have an office and equipment for 5-6 staff members. Existing facilities will be upgraded but this is described under budget item construction (Rehabilitation).

2. Commodities - (\$1,202,000)

a. Equipment and Supplies - (\$487,000)

- fencing materials
- fuel and water tanks
- tractor spare parts
- office furniture
- furniture for houses
- office supplies
- computer and computer supplies
- tools, farm implements and maintenance supplies
- eartags
- animal health supplies
- non-contracted construction supplies
- seed and feed supplies
- electrical supplies
- feed handling equipment
- chemicals

b. Local Support Items - (\$615,000)

- 11 vehicles for startup of project plus spare parts
- 10 vehicles for replacement at end of project and spare parts

Additional vehicles were added because initially project was under funded which was reflected in the number of vehicles to be ordered, mostly to be used by advisors and for study teams. However, additional vehicles are required for disease monitoring units, pre quarantine vaccination teams, supply distribution, general quarantine station use.

c. Port Clearance - (\$100,000) - Self explanatory.

3. Maintenance of motors, pumps, vehicles and fuel - (\$1,063,000) - Self explanatory.

4. Livestock Investment Fund (LIF) - (\$500,000)

This item provides Somali Shilling equivalent of \$0.5 Million U.S. in support of \$3.0 Million U.S. Funds. These funds will be used to encourage the private sector for local fodder/feed production and to import trucks to transport cattle from quarantine stations to ports. (See page 25 - Annex C for more detailed description of LIF).

5. Construction - (\$7,245,000)

a. Rehabilitation and New Construction - (\$6,272,000)

- Rehabilitation of existing 18 houses at Lahele and house and dormitory-type living quarters at Warmahan. Plus housing will be required for a possible 53 families at Lahele and approximately the same number at Warmahan. Lafaruq will require all new housing to be constructed.

MSL

Each quarantine station will have a compliment of approximately 73 workers. Because each of the stations is located away from town (25, 60 and 30 km respectively) and due to problems of fuel, transport and the requirement that at times when cattle are in quarantine they will require 24 hour attendance, the staff is required to live at the site.

In addition, mosques, schools, warehouses, miscellaneous sheds, shops, laboratory and administrative buildings will have to be constructed at each site.

- In the interim until quarantines are in full operation, rebuilding of crossfences and brush clearing to control and enhance grazing must take place to support ongoing quarantining of export cattle.
- Repair of existing corrals and cattle handling facilities at present quarantine sites until new facilities are constructed.
- All-weather road around perimeter fences for patrolling to control trespassing.
- Rehabilitation of fences and wells at pre-quarantine selection areas.
- Improvement of shade, feed and watering facilities at marshalling yards.
- Labor, material and management costs for contracted work.
- Construct headquarters office and housing at Ministry of Livestock for headquarters senior staff.
- Construction of offices and houses at Berbera, Kismayo, and Burao.

b. Wells, Pumps and Generators - (\$825,000)

- Additional wells will have to be drilled at Warmahan, Aroori, and Lafaruq in addition to those already drilled for the quarantine yards.
- Lahele and Warmahan will require additional water system development to supply potable water at headquarters living area.
- All wells will require generators, pumps and transmission lines. In addition all other water lines not included in quarantine station design will have to be laid.

- c. Environmental and Engineering Monitoring - (\$8,000)  
Monitoring and testing will be conducted on the potability of the water supply for livestock and the quarantine station staffs. Also monitoring/inspections will be conducted to assure that livestock dip and disinfectants use do not constitute a health hazard to livestock and staffs at the quarantine stations.
- d. Serum and Vaccine Institute Construction - (\$140,000)  
A modest animal isolation laboratory facility will be constructed on the grounds of the Serum Vaccine Institute at Kilometer 7. The facility will consist of ten isolation pens, laboratory, rooms, glassware and laundry room, offices, and storage, incinerator, necropsy, and restrooms. Water supply and septic tank sewage treatment will also be in the construction.

The isolation laboratory will be used to produce and test vaccines to protect livestock against infectious disease before being placed in quarantine facilities for export plus miscellaneous testing of specimens.

6. Construction Contract Trust Funds - (\$3,840,000

The Contractor hired for the major construction of the Quarantine Stations will incur local currency costs including locally hired staff, housing, etc. This is estimated to total \$3,840,000 SoSh equivalent. These Shillings will be placed in the USAID Project Trust Funds for use by the Contractor.

7. Technical Assistance and FSU - (\$750,000

The Technical Assistance teams operating expenses will include dollars and Somali Shillings. This is estimated to be \$450,000. The FSU SoSh needs are estimated at \$300,000.

8. Contingency - (\$100,000)

Funds in this line item may be used for providing in-country orientation and training to quarantine station, port and headquarters staff on such subjects as livestock handling and processing; dipping; vaccination; and inspection of livestock; office procedures; and logistical support, as required.

11/7

ANNEX I

TECHNICAL ASSISTANCE  
LOCAL CURRENCY BUDGET  
(So Shillings in US \$)

USDA TA TEAM

	<u>MONTHS</u>
Senior Technical Advisor	- 36
Animal Husbandry Advisor	- 24
Junior Veterinary Advisor	- 24
USDA Engineer Specialist	- 3
USDA Animal Health Specialist	- 3
Other Specialists	- 3

TOTAL

96 Person Months

Per Diem	\$50,000
Local Air Travel	10,000
Ground Travel	70,000
Fuel, Tools, Equipment, Supplies	
International Air Travel	80,000
Support Items	
Secretaries, Interpreters, Typewriters, etc.	75,000
Contingency	<u>65,000</u>
TOTAL	\$350,000

RONCO TEAM

	<u>MONTHS</u>
International Marketing Advisor	- 12
Private Enterprise Advisor	- 12
Domestic Marketing Advisor	- 12
Socio-Economist	- 6
Vet. Med Supply	- 4
Statistician	- 3

TOTAL

58 Person Months

Per Diem	\$60,000
Local Travel	
Air	3,000
Gasoline & Diesel	15,000
Tools & Accessories	2,000
Camp Supplies	1,500
International Travel	10,000
Support Items	6,500
Secretaries, Interpreters, Typewriters, etc.	
Contingency	<u>2,000</u>
TOTAL	\$100,000

## ANNEX J

ANTICIPATED CONSTRUCTION ACTIVITIES  
(Somali Shilling Contribution)

## ITEM 1: Local Construction Contract

	Staff Housing				Offices		Labs	Warehouses					Clinic	Mosque	Canteen	Misc	Sheds	Garage	School
	A	B	C	D	E	F		G	H	I	J	K							
Mogadishu	4	10	7	-	1	-	-	1	1	1	-	-	-	1	-	-	-	-	-
Warmahan	1	3	15	10	-	1	1	-	1	1	1	1	1	1	-	yes	1	-	
Kismayo	1	3	-	-	-	1	-	-	-	-	-	-	1	1	1	yes	1	1	
Leheley	1	3	15	10	-	1	1	-	1	1	1	1	1	-	-	yes	-	-	
Lafarug	1	3	20	12	-	1	1	-	1	1	1	1	1	1	1	yes	1	1	
Berbera	1	2	-	-	-	1	-	-	-	-	-	-	1	1	1	yes	1	1	
Hargeisa	1	2	-	-	-	1	-	-	-	-	-	-	-	-	-	yes	-	-	
Burda	1	3	-	-	-	1	-	-	-	-	-	-	-	-	-	yes	-	-	
																yes	-	-	

## KEY:

## HOUSING:

- A = Senior Staff, Guest Houses  
 B = Supervisor Houses  
 C = Technical Staff House  
 D = Staff House

## OFFICES:

- E = Headquarters Office  
 Mogadishu  
 F = Field Offices

## WAREHOUSES:

- G = Mogadishu Port Store  
 H = Central Stores  
 I = Veterinary Stores  
 J = Fuel and Lubricants Stores  
 K = Feed storage

## ITEM 2: All Weather Roads

Warmahan	-	28 km
Leheley	-	25 km access
	-	28 km perimeter

ITEM 3: Serum Vaccine Institute (SVI) - Isolation Unit Design being reviewed.

ITEM 4: Brush Clearing at Warmahan and Leheley

ITEM 5: Fencing and Cattle Handling Facilities at Prequarantine sites.

ITEM 6: Remodeling (Feed, Water, Shade) at Marshalling Yards - Berbera, Mogadishu, and Kismayo

ITEM 7: Labor, material, and management costs for multiple, small contracts.

ANNEX K

COMMODITY LIST

LIVESTOCK MARKETING AND HEALTH PROJECT

The following commodity list covers equipment necessary to begin operation of pre-quarantine stations, laboratories and quarantine stations, exclusive of shipping costs.

The second major commodity order will be similar to the first with more of an emphasis on spare parts with quantities and additional supplies based upon time of arrival and experience with first order.

No	Item	Quant.	Unit Cost	Total Cost
<b>I. Veterinary and Animal Husbandry Equipment</b>				
1.	Plastic syringes, 2cc, w/18 ga needles	200	\$0.20	\$40.00
2.	Plastic syringes, 5cc, w/18 ga needles	200	\$0.36	\$72.00
3.	Plastic syringes, 10cc, w/18 ga needles	200	\$0.38	\$76.00
4.	Needles, injection, 16 ga x 1 in.	200	\$0.17	\$34.00
5.	Needles, injection, 18 ga x 1 in.	200	\$0.16	\$32.00
6.	Forceps, stainless steel, 6 in	12	\$5.50	\$66.00
7.	Forceps, stainless steel, 8 in	12	\$5.95	\$71.40
12.	Vacutainer tubes to collect blood sample	20000	\$0.16	\$3,200.00
18.	Sterilizer forceps	12	\$6.45	\$77.40
22.	Rectal thermometers, Centigrade	50	\$5.40	\$270.00
24.	Stethoscope	36	\$10.50	\$378.00
26.	Rubber gloves	400	\$0.35	\$140.00
30.	Plastic aprons	60	\$4.50	\$270.00
31.	Bandages - 2 inch rolls	100	\$1.50	\$150.00
32.	Cotton - 1 lb. roll	100	\$3.62	\$362.00
42.	Syringes, nylon, 10cc	60	\$5.65	\$339.00
43.	Needles, 16 ga.	400	\$0.16	\$64.00
46.	Multidose syringe, 50cc, pistol grip	20	\$51.25	\$1,025.00
47.	Multidose syringe, 30cc, pistol grip	20	\$38.95	\$779.00
48.	Spares parts for syringes- unbreakable barrels and rubber packing sets	40	\$2.05	\$82.00
49.	Needles, 16 and 18 ga for Multidose syr.	400	\$0.40	\$160.00
60.	Cattle oilers/rope type	48	\$150.00	\$7,200.00
61.	Livestock marking crayon assorted colors	3600	\$0.45	\$1,620.00
66.	Standard bull nose lead, with rope	24	\$8.50	\$204.00
67.	Barnes type dehorner	6	\$15.00	\$90.00
68.	Horn saw	6	\$6.00	\$36.00
69.	Keystone dehorner	3	\$43.00	\$129.00
117.	Cattle prod, battery powered	30	\$15.00	\$450.00
9.	Necropsy kits	12	\$47.75	\$573.00
				\$17,989.80
<b>II. Laboratory and Field Hardware and Appliances</b>				
8.	Insulated chill boxes for holding vaccines on ice, field use	12	\$23.00	\$276.00
10.	Collapsible tables, metal, for field use for holding vaccines, instruments, etc.	8	\$60.00	\$480.00

11. Stainless steel instrument trays, with cover, 4 x 10 x 3 in.	12	\$19.75	\$237.00
13. Insulated styrofoam chill boxes for shipping & storing specimens on ice	40	\$9.75	\$390.00
14. Dipping vat test kits	3	\$200.00	\$600.00
16. Back pack sprayers (hand operated) for applying disinfectants	36	\$90.00	\$3,240.00
17. Sterilizer, portable, table top electric, 220 v.	6	\$240.00	\$1,440.00
19. Centrifuge - hand operated for blood	6	\$549.50	\$3,297.00
20. Refrigerator 15 to 17 cu ft, 220v.	6	\$600.00	\$3,600.00
21. Hot water heater 30 gal. 220v.	6	\$160.00	\$960.00
25. Brucella test kits	36	\$25.00	\$900.00
36. Deep freezer - solar powered	3	\$2,000.00	\$6,000.00
37. Microscope, binocular	3	\$745.00	\$2,235.00
38. Cover slips	400	\$0.04	\$16.00
39. Slides	400	\$0.04	\$16.00
40. Miscellaneous glass tubes	1000	\$0.05	\$50.00
41. Miscellaneous glass jars	400	\$0.16	\$64.00
44. Water distiller	3	\$150.00	\$450.00
45. Gram test kits	6	\$40.00	\$240.00
144. Portable field refrigerator 1.7-2 cu ft J.C. Whitney cat. no. 96-2146UF	3	\$399.00	\$1,197.00
145. Portable field refrigerator- 4 cu ft J.C. Whitney cat. no. 97-0233AFE	3	\$659.00	\$1,977.00
123. Custom Corral System (portable) W.W. MFR. Co. Inc., Dodge City, Kansas	4	\$4,088.00	\$16,352.00
Each set to contain the following:			
Beef Master standard chute (Rt. brand)			
B.M. headgate (automatic/self adjust.)			
B.M. nose bar and pin			
B.M. neck bar			
All portable attachment package			
All gates and fences and support frame in design No. 500 (modified)			

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\$44,017.00

### III. Drugs and Chemicals

15. Dip (Co-ral), gallons	400	\$28.93	\$11,572.00
27. Disinfectant - Sodium Carbonate crystal	1000	\$1.40	\$1,400.00
28. Disinfectant - Coal tar dip - gal.	20	\$15.20	\$304.00
29. Boot disinfectant - gal.	40	\$10.00	\$400.00
33. Wound treatment, purple lotion - gal.	36	\$10.69	\$384.84
34. Gentian violet wound spray 6 oz	100	\$2.60	\$260.00
35. Pinkeye treatment 2.8 oz spray	72	\$4.70	\$338.40

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\$14,659.24

### IV. Fence Equipment

50. Wire stretcher	12	\$20.00	\$240.00
51. Fencing pliers	12	\$11.00	\$132.00
52. Work gloves	36	\$9.00	\$324.00

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55. Electric fence charger-solar	6	\$180.00	\$1,080.00
54. Wire --			
55. Insulators	40000	\$0.10	\$4,000.00
56. Post hole digger (hand)	12	\$22.00	\$264.00
57. Post hole digger (PTO)	3	\$600.00	\$1,800.00
59. Electric fence tester	6	\$4.00	\$24.00
			\$13,084.00

V. Vehicles, Motorized and Nonmotorized farm Equipment

58. Motorcycles	12	\$2,500.00	\$30,000.00
62. Dump trailer, PTO driven - hydraulic	6	\$2,000.00	\$12,000.00
120. Winch, truck mounted, 12 v.	3	\$700.00	\$2,100.00
124. Farm Wagon, 8 x 16 ft, steel frame and bed, wood racks, 2-axel	18	\$1,485.00	\$26,730.00
141. Truck, flatbed, 1 1/2 to 2 ton, 16 ft bed	3	\$25,000.00	\$75,000.00
			\$145,830.00

VI. Farm Implements, Hardware and Spare Parts

63. Shovels	60	\$16.00	\$960.00
64. Manure fork	30	\$20.00	\$600.00
65. Rope - 5/8 nylon medium lay lariat type	600	\$0.20	\$120.00
70. Hay forks	30	\$20.00	\$600.00
71. Hay moisture tester	3	\$155.00	\$465.00
72. Portable Water pump 3in HD 8Hp	6	\$1,040.00	\$6,240.00
73. Portable high-pressure sprayer w/tank	6	\$450.00	\$2,700.00
74. Scrub brushes	60	\$6.00	\$360.00
75. Buckets, Polyurethane	60	\$10.00	\$600.00
76. Barn brooms	60	\$13.00	\$780.00
77. Wheel barrows	30	\$78.00	\$2,340.00
115. Digital electronic cattle scale	9	\$2,512.00	\$22,608.00
116. Spare digital readout kit for scales	3	\$995.50	\$2,986.50
121. Chain saw, medium, w/spare chains	3	\$175.00	\$525.00
			\$41,884.50

VII. Shop Equipment

78. Complete mechanics tool kit Sears type	3	\$1,400.00	\$4,200.00
79. Bead breaker, for tires	3	\$50.00	\$150.00
80. Hi-lift mechanical jack	3	\$44.00	\$132.00
81. Anvil	3	\$451.00	\$1,353.00
82. Portable arc welder	3	\$1,950.00	\$5,850.00
83. Oxy-acet. welding unit w/acetyline gener	3	\$300.00	\$900.00
84. Welding helmet	6	\$16.00	\$96.00
85. Welding gloves	6	\$9.00	\$54.00
86. Welding goggles	6	\$9.00	\$54.00
87. Extra lenses for helmets	15	\$1.20	\$18.00
88. Vise-grip welding clamps	6	\$9.75	\$58.50
89. Welding rod E-6011, 1/8 in boxes	20	\$7.00	\$140.00
90. Cutting rod 1/8 in boxes	20	\$7.00	\$140.00
91. Heavy duty bench vice	3	\$155.00	\$465.00

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92. Bench grinder	3	\$200.00	\$600.00
93. Hydraulic floor jack	3	\$235.00	\$705.00
94. Hydraulic jack-medium duty	6	\$30.00	\$180.00
96. Portable air compressor	3	\$360.00	\$1,080.00
97. Hammers	15	\$5.00	\$75.00
98. Cross-cut saw	15	\$17.00	\$255.00
99. Measuring tape- 100 ft. reel	6	\$12.00	\$72.00
100. Carpenters plane	3	\$15.00	\$45.00
101. 1/2 inch heavy duty drill 220v.	6	\$113.00	\$678.00
102. Tap and Die set - Metric and English	3	\$224.00	\$672.00
103. Pipe cutter	3	\$45.00	\$135.00
104. Pipe thread cutter	3	\$85.00	\$255.00
105. Pipe cutter stand	3	\$65.00	\$195.00
106. 12 foot ladder - A frame	3	\$88.00	\$264.00
107. Extension ladder	3	\$181.00	\$543.00
108. Volt-ohm-ammeter	3	\$160.00	\$480.00
110. Hand truck	6	\$90.00	\$540.00
111. Manual chain hoist, 2-ton	3	\$250.00	\$750.00
112. Heavy duty battery charger	3	\$244.00	\$732.00
113. Soldering gun	3	\$18.00	\$54.00
114. Carpenters level	3	\$7.00	\$21.00
118. Chain, 3/8 inch links	100	\$2.00	\$200.00
119. Chain, 5/16 inch links	200	\$1.60	\$320.00

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\$22,461.50

VIII Audio-visual and Communications Equipment

150. Color television set	2	\$125.00	\$250.00
151. VHS video recorder (3 system)	2	\$900.00	\$1,800.00
152. Portable VHS video recorder and camera/recorder (3 system)	1	\$1,999.00	\$1,999.00
153. Opaque overhead projector	1	\$125.00	\$125.00
154. Transparent overhead projector	1	\$125.00	\$125.00
155. 16 mm film projector	1	\$398.00	\$398.00
156. Screen with tripod	1	\$60.00	\$60.00
157. Portable sound cassette recorder w/mic.	1	\$50.00	\$50.00
158. Blank sound cassettes	100	\$1.50	\$150.00
159. Blank VHS cassettes	100	\$7.50	\$750.00
160. Recording cables	6	\$5.00	\$30.00
161. Adapter Jacks	6	\$12.50	\$75.00
162. Lighting equipment: flash lamps w/tripod	3	\$407.37	\$1,222.11
163. Transceiver with base station antenna	9	2000	\$18,000.00
164. Mobile transceiver for vehicle instal.	4	2000	\$8,000.00
165. Telex with spare boards	1	2000	\$2,000.00

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\$35,034.11

IX. Miscellaneous Equipment

122. Electric fans, 220v.	12	\$30.00	\$360.00
142. Honda EG2200x, 2.2 KW Generator	3	\$629.00	\$1,887.00
143. Honda EMS4500, 4.5 KW Generator	3	\$1,495.00	\$4,485.00
147. Donkey harness w/bridle & lines (Josh Bauman, Monterey, Tenn.)	1	\$125.00	\$125.00

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\$6,857.00

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LIVESTOCK QUARANTINE AND HEALTH PROJECT

COMMODITY LIST - PRICE ESTIMATES FOR TRACTORS  
AND IMPLEMENTS

ITEM	QUANT.	COST/EACH	TOTAL COST
130. Tractors, Massey Ferguson 240 4-WD, diesel w/vertical exhaust	6	\$20,000.00	\$120,000.00
131. Front end bucket loader for MF 240 (hyd)	6	\$2,000.00	\$12,000.00
132. Scraper blade 10 ft. for MF 240	6	\$600.00	\$3,600.00
133. Package of spare parts and lubricants	6	\$3,000.00	\$18,000.00
134. Tractors, 65 Hp, 4-WD, diesel	6	\$25,000.00	\$150,000.00
135. Front end loader for above	6	\$2,000.00	\$12,000.00
136. Scraper blade 10 ft. for above	6	\$600.00	\$3,600.00
137. Package of spare parts and lubricants	6	\$4,000.00	\$24,000.00
138. Manure spreader, Massey Ferguson 724	6	\$2,000.00	\$12,000.00
139. Tractor, Massey Ferguson 1010, 4-WD diesel, spare parts	6	\$6,000.00	\$36,000.00
140. Front end loader, MF 214	6	\$1,000.00	\$6,000.00
125. Trailers 6 x 8 ft. steel frame	18	\$1,440.00	\$25,920.00
			<u>\$423,120.00</u>
EARTAGS			
126. Allflex ear tags, large	80000	\$0.53	\$42,400.00
127. Applicator for Allflex tags	15	\$13.31	\$199.65
128. Marking Pen for Allflex tags	800	\$4.30	\$3,440.00
			<u>\$46,039.65</u>
TOTAL			<u>\$469,159.65</u>
TOTAL FOR PART ONE			\$346,960.30
TOTAL FOR PART ONE AND TWO			<u>\$816,119.95</u>

X. Jeep Parts

156. Spare parts for Jeeps

1 \$5,143.30 \$5,143.30

Total For Commodity Order

\$346,960.45

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Annex L

50 PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only:

- B.1. applies to all projects funded with Development Assistance loans, and
- B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

GENERAL CRITERIA FOR PROJECT

FY-1986 Continuing Resolution  
Sec. 524; FAA Sec. 634A.

Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.

Congressional notification waiting period expired on 7/8/86 (State 211179).

FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes, all plans have been finalized.

FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

N.A.

4. FAA Sec. 611(b); FY 1986 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.)

N.A.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

~~Yes (Mogadishu State~~

Yes, Mission Director signed 611(e) certification on 8/13/ (Mogadishu 08642). Mission received notification that Regional Assistant Administrator had taken certification into consideration. (State 261083)

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

7. FAA Sec. 601(a). Information and conclusions whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

Purpose of project is to assist in establishing and expanding cattle exports. Direct beneficiaries will be private sector traders and herdsmen.

5/11

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
9. FAA Sec. 612(b), 636(h); FY 1986 Continuing Resolution Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
12. FY 1986 Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. products of the same, similar or competing commodity?

Project includes commodity procurement component. It is anticipated that a substantial amount of vehicles and commodities will be imported from the US.

The GSDR and project beneficiaries will be contributing a substantial share of project costs in local currencies. No U.S. owned local currencies are available.

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program take into consideration the problem of the destruction of tropical forests? N.A.

FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance  
Project Criteria

- a. FAA Sec. 102(a), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status, (e) utilize and encourage regional cooperation by developing countries?

The project will directly involve and benefit the rural poor of Somalia, by making access to facilities and services that will upgrade their livestock herds and increase the off-take of livestock from Somalia. Quarantine facilities will serve the rural poor in three principal geographical and economic regions. An increase in exports may prove the way for increased regional cooperation between Somalia and its trading partners in the region.

- b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used? Yes
- c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? No
- d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed country)? Yes
- e. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? Yes

f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? Yes

g. FAA Sec. 281(b). Describe extent to which --program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

2. Development Assistance Project  
Criteria (Loans Only)

a. FAA Sec. 122(b). Information an conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. N.A.

FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? N.A.

3. Economic Support Fund Project  
Criteria

a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of part I of the FAA? N.A.

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? N.A.

c. ISDCA of 1985 Sec. 207. Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified N.A.

that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States?

FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

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FM AMEMBASSY MOGADISHU  
TO SECSTATE WASHDC FRICITY 2548  
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UNCLAS MOGADISHU 08082

- 39 -  
ANNEX M  
611 (e)

CLASS: UNCLASSIFIED  
ORIG: AID 8/13/88  
APPRV: DIR:LACOFED  
DPTID: ~~SECJ:SEINFALS:SA~~  
CLEAR: 1.SAD:RCAP/ENF  
2. A/CD:SEINFALS  
DISIR: DIR:CD/DA  
--JJ AUG 8/88

AUCAC

E.O. 12356: A/A  
SUBJECT: LIVESTOCK MARKETING AND HEALTH PROJECT  
(649-0109) 611 (7) CERTIFICATION

REF: STATE 151257

1. REQUEST AA/AFR NOTIFICATION THAT HE HAS "RECEIVED AND TAKEN INTO CONSIDERATION" SUBJECT PER GUIDELINES IN HR 3 APP 31 (GUIDANCE FOR SECTOR 611 (7), CERTIFICATION ON CAPACITY TO MAINTAIN AND UTILIZE). MISSION DIRECTOR CERTIFICATION IS AS FOLLOWS

(A) THE LIVESTOCK MARKETING AND HEALTH PROJECT WILL PROVIDE OF \$17.2 MILLION IN FOREIGN EXCHANGE AND THE SMALL SHILLING EQUIVALENT OF \$16.2. THE PROJECT WILL ASSIST SOMALIA TO DEVELOP LIVESTOCK MARKETING AND HEALTH POLICIES AND PROGRAM, INCLUDING THE ESTABLISHMENT OF A QUARANTINE SYSTEM FOR THE EXPORT OF CATTLE WHICH WILL HELP SOMALIA REGAIN ITS SHARE OF THE INTERNATIONAL MARKET FOR LIVE CATTLE. TO ACHIEVE ITS OBJECTIVES, THE PROJECT WILL FUND TRAINING AND COMMODITIES, INCLUDING VEHICLES, ANIMAL DRUGS AND VACCINES AND CONSTRUCTION AND REHABILITATION OF QUARANTINE FACILITIES IN MOGADISHU, AISMAYO AND BERBERA. THE COST OF THE CONSTRUCTION OF THE QUARANTINE FACILITIES IS APPROXIMATELY \$8.4 MILLION.

(B) ONE OF THE PRINCIPAL OBJECTIVES OF THE PROJECT IS TO STRENGTHEN THE INSTITUTIONAL CAPACITY OF THE GSDR TO SUCCESSFULLY ADMINISTER AN EFFECTIVE LIVESTOCK QUARANTINE SYSTEM. IN TERMS OF HUMAN RESOURCE CAPACITY THE GSDR'S ABILITY TO UTILIZE AND MAINTAIN THE FACILITIES WILL BE ESTABLISHED THROUGH LONG-TERM TECHNICAL ASSISTANCE PROVIDED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE. BEFORE CONSTRUCTION OF ANY FACILITY IS COMPLETED USDA ADVISORS WILL HAVE TRAINED GSDR PERSONNEL IN QUARANTINE FACILITY OPERATIONS AND MAINTENANCE. TRAINING WILL INCLUDE VACCINATION PROCEDURES, SELECTION OF ANIMALS, MONITORING THE HEALTH OF ANIMALS IN CONFINEMENT, PARASITE CONTROL, FEEDING, CLEANING AND SANITATION OF PENS, RECORD KEEPING AND OTHER PROCEDURES NECESSARY TO ASSURE SMOOTH AND EFFICIENT OPERATION OF THE STATIONS. TO THE EXTENT FEASIBLE THE GSDR WILL CONTACT WITH PRIVATE SECTOR ORGANIZATIONS REGARDING THE MAINTENANCE OF THE QUARANTINE FACILITIES.

(C) THE OPERATION OF THE STATIONS WILL REQUIRE THE INCLUSION OF USER FEES FROM TRADERS. THESE FEES WILL COVER MAINTENANCE AND OPERATION COSTS OF THE STATION AND

WILL ALSO INCLUDE COSTS OF WATER, VACCINES, AND HANDLING AND CERTIFICATION FEES. USER FEES WILL NOT COVER REPLACEMENT COSTS OF THE FACILITIES THEMSELVES, WITH PROPER MAINTENANCE THE LIFE OF THE STATIONS WILL BE AT LEAST 20 YEARS, AT WHICH TIME THE LIVESTOCK INDUSTRY IN SOMALIA WILL HAVE GROWN CONSIDERABLY. A PRELIMINARY CALCULATION OF THE USER FEE HAS BEEN DONE, AND IT WILL BE RECALCULATED QUARTERLY TO ASSURE THAT MAINTENANCE AND OPERATING COSTS ARE COVERED.

(1) BECAUSE OF THE PROCEDURES DESCRIBED AND BASED ON MY EXPERIENCE AND KNOWLEDGE OF GSDR MAINTENANCE AND UTILIZATION OF PROJECTS PREVIOUSLY FINANCED AND ASSISTED BY THE UNITED STATES, I CERTIFY AS TO THE CAPACITY OF THE GSDR (BOTH FINANCIAL AND HUMAN RESOURCES) TO EFFECTIVELY MAINTAIN AND UTILIZE THE PROJECT

-LOUIS A. COHEN  
-MISSION DIRECTOR  
-13 AUGUST, 1986.

2. REQUEST AA/AER NOTIFICATION ASAP. USID READY TO AUTHORIZE PP AMENDMENT, AND PROCEED WITH OBLIGATION AS SOON AS NOTIFICATION RECEIVED. PLEASE ADVISE. RAWSON

BT  
#2642

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TO RUEHC / SECSTATE WASHDC 2076  
INFO RUEHNE / AMEMBASSY NAIROBI 1334  
UNCLAS MOGADISHU 19723

CLASS: UNCLASSIFIED  
CARGO: AID 2/14/86  
APPROV: DIR: LACCHEN  
DPEL: RECSO: JGAUDET: HCA  
CLEAR: 1. HNG: SPATTON  
2. SAO: RCARPENTER  
3. PROJ: EBINGELLS  
4. A/DD: ME BRADLEY  
DISTR: DIR CDA (AGP)  
SAC PROJ A/LE

AIRAC

AIR/AFR/TP/PRO BUREAU ENVIRON. OFFICER, B. BOYD;  
NAIROBI FOR RECSO

F.O. 12356: N/A  
SUBJECT: LIVESTOCK MARKETING PROJECT (549-0119)  
AMENDMENT ENVIRONMENTAL REVIEW

1. SUBJECT AMENDMENT PROPOSES AN INCREASE IN LOP FUNDING FROM 11.0 TO 17.0 MILLION DOLLARS. PROJECT AMENDMENT WILL NOT CHANGE THE ORIGINAL GOALS/OBJECTIVES. HOWEVER, ACCORDING TO REGIC (214.3A) WHEN ON-GOING PROGRAMS ARE REVISED TO INCORPORATE A CHANGE IN SCOPE OR NATURE, A DETERMINATION WILL BE MADE AS TO WHETHER SUCH CHANGE MAY HAVE AN ENVIRONMENTAL IMPACT NOT PREVIOUSLY ADDRESSED.

2. THE REGIONAL ENVIRONMENTAL OFFICER HAS RECENTLY REVIEWED THE AMENDMENT AND HAS DETERMINED THAT THERE WILL NOT BE ANY IMPACT NOT PREVIOUSLY ADDRESSED. HE ADVISES THAT THE RECOMMENDATIONS PREVIOUSLY OUTLINED IN THE PROJECT ENVIRONMENTAL REVIEW (ANNEX E OF THE PP) WILL STILL APPLY. ALSO THE REG WILL REVIEW THE FIRST PROJECT EVALUATION O/A JULY 1987 TO INSURE THAT THE ABOVE IS COMPLIED WITH. RLA CONCURS IN THIS DECISION.

RAMSON  
BT  
#8723

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STATE 261083

ACTION: AID INFO: CDA ECON

VZCZC0936  
CC RUFHMG  
DE RUFHC #1083 2320000  
ZNR UUUUU ZZP  
O 200007Z AUG 86  
FM SECSTATE WASHDC  
TO AMEMBASSY MOGADISHU IMMEDIATE 5900  
BT  
UNCLAS STATE 261083

action taken: \_\_\_\_\_  
action necessary?   
*LM* *20 Aug 86*

IOC: 768 536  
20 AUG 86 2026  
CN: 64808  
CHRG: AID  
DIST: AID

*E. Birrell's*

AIDAG

E.O. 12356: N/A

TAGS:

SUBJECT: SOMALIA - LIVESTOCK MARKETING AND HEALTH  
PROJECT (649-0109) - 611 (E) CERTIFICATION

REF: MOG 8642

PURSUANT TO DOA 75, AS AMENDED, AA/AFR HEREBY  
ACKNOWLEDGES THAT HE HAS RECEIVED AND TAKEN INTO  
CONSIDERATION RETTEL 611(E) CERTIFICATION BY MISSION  
DIRECTOR FOR SUBJECT PROJECT AMENDMENT. WHITEHEAD  
BT

UNCLASSIFIED

STATE 261083

OFFICE	INFO	ACTION
DIR		
DD		
PL/OG	✓	
PROJ		✓
ENG		
RD/RA	✓	
SMO		
C/N		
MGT		
AGR	✓	

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