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PROBUD 6/5

T. J. Johnson
FRSDP

RW

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = All
C = Change
D = Delete

Amendment Number

DOCUMENT CODE

3

COUNTRY/ENTITY

USAID/Somalia

3. PROJECT NUMBER

649-0140

4. BUREAU/OFFICE

AFR

5. PROJECT TITLE (maximum 40 characters)

Somalia
Refugee Settlement

6. PROJECT ASSISTANCE COMPLETION DATE (FACD)

MM DD YY

03 31 91

7. ESTIMATED DATE OF OBLIGATION

(Under 31 below, enter 1, 2, 3, or 4)

A. Initial FY 86

B. Quarter 2

C. Final FY 91

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	B. FY 86			C. LIFE OF PROJECT		
	F. FX	G. L/C	D. Total	E. FX	F. L/C	G. Total
Appropriated Total						
Grants	1,500		1,500	4,000		4,000
Loans						
Other:						
U.S.						
Host Country		1,000	1,000		1,000	1,000
Other Donor(s) Local Groups		1,000	1,000		1,000	1,000
TOTALS	1,500	2,000	3,500	4,000	2,000	6,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROXIMATE RELATIONSHIP	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
(1) RP	940					4,000		4,000	
(2)									
(3)									
(4)									
TOTALS									

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

11. SECONDARY PURPOSE CODE

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

A. Code
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

Develop and test viable alternatives to refugee camps which enable refugees and the neighboring community to become fully integrated self-supporting residents of Somalia.

14. SCHEDULED EVALUATIONS

Interim MM YY Final MM YY 02 89

15. SOURCE/ORIGIN OF GOODS AND SERVICES

X 300 X 741 X Local X Other (Specify)

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

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

George Barwicke, Acting Controller

17. APPROVED BY

Signature: [Signature]
Title: Director USAID/Somalia
Date Signed: MM DD YY 07 16 86

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

MM DD YY

BEST AVAILABLE DOCUMENT

ACTION MEMORANDUM TO THE MISSION DIRECTOR, USAID/SOMALIA

DATE: July 9, 1986
FROM: M. Warren, RD/RA *mw*
SUBJECT: Somalia Refugee Settlement Project (649-014)

Problem:

Your approval is requested for a grant of \$1.5 million from the Migration and Refugee Assistance Act of 1962, to the Government of Somalia for the Somalia Refugee Settlement Project. Life-of-Project funding for the Project is \$4.0 million.

Discussion:

This Project will consist of a range of activities designed to test and develop viable alternatives to refugee camps, which enable refugees to become fully integrated, self-supporting residents of Somalia. Project activities will include Rapid Impact Projects building on development activities undertaken to date with refugees, site assessments for settlement sub-projects, settlement sub-projects, monitoring, and evaluation activities.

Project outputs will be: (1) \$2.99 million in refugee settlement activities designed, approved and implemented; (2) at least 1,600 refugee families engaged in activities which lead to self-sufficiency, including five small-scale Rapid Impact Projects and two modest-sized settlement projects; and (3) agreement with the GSDR on issues of land access and tenure for refugees and selection of beneficiaries for settlement activities. The Ministry of Agriculture is the Grant Implementing Agency. AID/Washington has approved the Project at the \$4.0 million level. (PID approval cable is classified.)

FINANCIAL PLAN

	<u>USAID</u> <u>FX (\$1000)</u>	<u>GSDR</u> <u>LC (\$1000 equiv)</u>	<u>PVO/Local Groups</u> <u>FX or LC</u>
Rapid Impact Projects	790	400	280
Settlement sub-projects	2,200	400	720
Technical Assistance	640	100	-
Commodities	80	-	-
Support costs	90	95	-
Evaluation	200	5	-
Total	4,000	1,000	1,000

For all Project components, USAID will finance only foreign exchange costs. This includes funding for: (1) Rapid Impact Projects; (2) Settlement sub-activities; (3) technical assistance; (4) Commodities; (5) Field Support Unit costs; and (6) Evaluation.

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For all Project components, the Grantee will finance all local currency costs for the following: (1) Rapid Impact Projects; (2) Settlement sub-activities; (3) Project support, including salaries and salary supplements for local staff; and (4) Evaluation.

It has been determined by the Mission Project Committee that implementation arrangements, monitoring and evaluation plans, and all required analyses have been adequately addressed in the Project Paper and that there are no outstanding issues needing resolution before initial obligation. The environmental threshold decision must be deferred until each Project sub-activity is developed, and then normal environmental review procedures will apply. The Regional Legal Advisor has reviewed the Project Paper, and her comments have been incorporated into it. Congressional Notification is not required for this Project (STATE 118442).

All statutory criteria have been satisfied. You have the authority to authorize and obligate the Project under Delegation of Authority 140, signed June 9, 1982.

Recommendation:

That you sign the attached Project Authorization and Project Data Sheet thereby approving life-of-project funding of \$4.0 million and authorizing the Project and its FY 86 increment of funding.

Approved: *[Signature]*

Disapproved: _____

Date: JUL 16 1986

attachments: Project Authorization
Project Data Sheet

CLEARANCE:

CONT:GBarwicke *[Signature]*
PROJ:EBirgells *[Signature]*
A/DD:AMartinez *[Signature]*

PROJECT AUTHORIZATION

Name of Country: Somali Democratic Republic

Name of Project: Refugee Settlement Project

Project Number: 649-0140

1. Pursuant to the Foreign Assistance and Related Programs Appropriation Act, 1982, and the Migration and Refugee Assistance Act of 1962, as amended, I hereby authorize the Refugee Settlement Project (649-0140) for the Somali Democratic Republic involving planned obligations of not to exceed four million (\$4,000,000) United States dollars in grant funds over a five year period from the date of authorization, subject to the availability of funds, to help in financing foreign exchange and local currency costs for the project:

2. The project consists of a range of activities designed to develop viable alternatives to refugee camps which enable refugees to become fully integrated, self-supporting residents of Somalia, thus enabling GSDR and donor resources, which now support refugees, to focus more fully on development. Project component activities will include rapid impact projects building on development activities undertaken to date with refugees, site assessments for settlement sub-projects, settlement sub-projects, and monitoring and evaluation activities.

3. The Project Agreement which may be negotiated and executed by the officer to whom such authority is delegated in accordance with AID regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as AID may deem appropriate.

(a) Source and Origin of Goods and Services.

(1) Subject to the provisions of paragraphs (2) and (3) below and except as AID may otherwise agree in writing, goods and services financed by AID under the project shall have their source and origin in the order of preference indicated:

(a) The United States (AID Geographic Code 000),

(b) The Cooperating Country or countries included in AID Geographic Code 941, and

(c) Countries included in AID Geographic Code 935. Procurements of goods and services having their source and origin in other than the United States, the Cooperating Country, and countries included in Code 941 will be based upon a written justification demonstrating substantive conformity with AID source/origin/nationality waiver criteria and be approved by the Project Committee.

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(2) Transportation by air, financed under the Grant, of property or persons, will be on carriers holding United States certification to the extent service by such carriers is available.

(3) Ocean transportation of goods financed by AID under the Project will be on privately owned United States flag commercial vessels to the extent required by Section 901(b)(1) of the Merchant Marine Act of 1936, as amended.

(A) Conditions Precedent to Subsequent Obligation.

1. Agree on a mechanism for resolving land tenure issues, including the establishment of a policy and implementation mechanism which will ensure rights to the land for beneficiaries,
2. Agree on the criteria and method for selecting sub-project participants and agree on the responsibilities of all parties in the selection process, and
3. Identify land which is available for resettlement activities.

(B) Conditions Precedent to Disbursement.

1. Prior to initial disbursement of funds, or to the issuance by AID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i) A statement of the name of the person(s) holding or acting in the office of the Grantee specified as the authorized representative(s), and a specimen signature of each person specified in such statement.

(ii) A letter from the Ministry of Revenue confirming that personnel and commodities financed by AID under the Grant shall be exempt from all GSDR taxes and duties, including taxes on fuel purchased by Project funds.

(iii) A statement indicating that the GSP Committee has reviewed the annual local currency requirements for the Project and that such requirements will be included in the annual programming document.

2. Prior to disbursement under the Grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, for each Rapid Impact Project, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

3

(i) An approved RIP activity proposal, conforming to agreed upon criteria for RIP activities, containing an environmental review acceptable to AID, and incorporating mitigating measures recommended in the environmental review.

3. Prior to disbursement under the Grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, for each settlement sub-project, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i) An approved sub-project proposal, conforming to agreed upon criteria for sub-project activities, containing an environmental review acceptable to AID, and incorporating mitigating measures recommended in the environmental review.

(ii) Evidence that land tenure and access issues pertaining to the subject site have been resolved.

(d) Covenants.

The Project Agreement shall contain covenants providing in substance as follows:

1. The Grantee agrees to convene periodic meetings of the Steering Committee.
2. The Grantee agrees to intercede on behalf of settlers to ensure enforcement of access to land and tenure rights by the settlers.

Date: JUL 16 1986



Director, USAID/Somalia

CLEARANCES:
PROJ:EBirgells lyb
CONT:GBarwicke lyb
A/DD:AMartinez lyb

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I. SUMMARY AND RECOMMENDATIONS

1.1. Recommendations

USAID/Somalia recommends the approval of a \$4 million pilot Refugee Settlement Project, utilizing Migration and Refugee Assistance Act funds. The project will be implemented over a five-year period by the Government of the Somali Democratic Republic (GSDR). The GSDR contribution will be the Somali shilling equivalent of \$1.0 million. An additional in kind contribution amounting to approximately \$1 million is expected to be contributed by refugee and local groups.

USAID/Somalia has examined the economic, financial, social, technical, and administrative implications of the Project. The findings of these analyses have been incorporated into the final design. All activities under the Somali Refugee Settlement Project are considered feasible and beneficial.

1.2. Summary Description

The goal of the Project is to assist in the resolution of the refugee problem in Somalia. The purpose of the project is to test viable alternatives to refugee camps which enable refugees to become fully integrated, self-supporting residents of Somalia, thus enabling GSDR and donor resources, which now support refugees, to focus more fully on development.

Project outputs will be: (1) \$2.99 million in refugee settlement activities designed, approved and implemented, (2) at least 1,600 refugee families engaged in activities which demonstrably lead to self-sufficiency, including at least five small-scale Rapid Impact projects (RIP) and two modest size settlement projects and (3) agreement with the GSDR on the fundamental issues of land access and tenure for refugees and selection of beneficiaries for settlement activities.

The Mission considers placing the project in a development context as crucial to the transition from relief to development. Therefore, the Ministry of Agriculture (MOA) has been identified as the Grant Implementing Agency.

The project consists of four interrelated components: (1) rapid impact projects building on development activities undertaken to date with refugees, (2) site assessments for settlement sub-projects, (3) settlement sub-projects and (4) monitoring and evaluation.

Summary Financial Plan (\$000s)

	<u>AID</u>	<u>GSDR</u>	<u>Local Groups</u>	<u>TOTAL</u>
Personnel Costs	640	100		740
Commodities	80			80
Rapid Impact Projects	790	400	280	1,470
Settlement Sub-Projects	2,200	400	720	3,320
Support	90	95		185
Evaluation/Audit	200	5		205
TOTALS	4,000	1,000	1,000	6,000

1.3. Conditions and Covenants(A) Conditions to be met prior to subsequent obligation:

1. Agree on a mechanism for resolving land tenure issues, including the establishment of a policy and implementation mechanism which will ensure rights to the land for beneficiaries,
2. Agree on the criteria and method for selecting sub-project participants and agree on the responsibilities of all parties in the selection process, and
3. Identify land which is available for resettlement activities.

(B) Conditions Precedent to Disbursement.

1. Prior to initial disbursement of funds, or to the issuance by AID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:
 - (i) A statement of the name of the person(s) holding or acting in the office of the Grantee specified as the authorized representative(s), and a specimen signature of each person specified in such statement.
 - (ii) A letter from the Ministry of Revenue confirming that personnel and commodities financed by AID under the Grant shall be exempt from all GSDR taxes and duties, including taxes on fuel purchased by Project funds.

(iii) A statement indicating that the Generated Shillings Proceeds (GSP) Committee has reviewed the annual local currency requirements for the Project and that such requirements will be included in the annual programming document.

2. Prior to disbursement under the Grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, for each Rapid Impact Project, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i) An approved RIP activity proposal, conforming to agreed upon criteria for RIP activities, containing an environmental review acceptable to AID, and incorporating mitigating measures recommended in the environmental review.

3. Prior to disbursement under the Grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, for each settlement sub-project, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i) An approved sub-project proposal, conforming to agreed upon criteria for sub-project activities, containing an environmental review acceptable to AID, and incorporating mitigating measures recommended in the environmental review.

(ii) Evidence that land tenure and access issues pertaining to the subject site have been resolved.

(C) Convenants:

The Project Agreement shall contain covenants providing in substance as follows:

1. The Grantee agrees to convene periodic meetings of the Steering Committee.
2. The Grantee agrees to intercede on behalf of settlers to ensure enforcement of access to land and tenure rights by the settlers.

II. PROJECT RATIONALE

2.1. Introduction

The Refugee Settlement Project is designed to respond to the needs of those refugees who choose to remain in Somalia and become productive members of the society and economy. The project proposes to build on the lessons learned through seven years of assistance to refugees in Somalia and the Mission bilateral support to refugees, under the \$6 million CDA Phase I Forestry Project (649-0122) and the \$6 million Refugee Self-Reliance Project (649-0123), to provide access to a viable livelihood for refugees and their non-refugee neighbors at sites chosen for settlement.

2.2. Refugee Programs and Donor Activities

The 1977-78 war in the Ogaden led to a significant influx of asylum-seekers into Somalia. Estimates of the designated refugee population have ranged from a high of 1.3 million persons in 1980 to the current government approved planning figure of 700,000 refugees, located in 36 camps in five regions of Somalia. In 1981, at the peak of the crisis, the National Refugee Commission (NRC) was formed to deal with refugee problems and to coordinate external offers of assistance.

By 1981 an integrated food delivery system had been established and essential camp services in place. The focus of refugee assistance turned from emergency relief to care and maintenance with limited development efforts aimed at camp-based self-sufficiency. Donor attention began to turn to actions that might permit refugees to increase productivity and acquire new skills. Such efforts continue with PVOs and technical units of GSDR line ministries implementing projects with refugees and neighboring Somalis.

The United Nations High Commissioner for Refugees (UNHCR), in cooperation with the NRC, is the principal coordinating body for refugee assistance activities. With a budget of approximately \$38 million in 1984, UNHCR provided complete programming support for health, transport and logistics, water and shelter. Additionally, in support of efforts to increase self-sufficiency in the camps, UNHCR contributed to agriculture and education programs, community development units and PVO-implemented income-generating projects.

The U.S. government has been the largest contributor to the Somalia refugee assistance program through P.L. 480 Title II food donations, contributions to UNHCR, and the Refugee Self-Reliance and CDA Forestry Projects. U.S. food donations to the refugee feeding program, contributed multilaterally through the World Food Programme (WFP), amounted to approximately 32,000 of the 120,000 metric tons targeted for refugees in 1985. The U.S. government contributes approximately 33% of total funding to the UNHCR annual worldwide budget.

The Refugee Self-Reliance and CDA Forestry Projects, begun in 1982, provide a total of \$12 million over a four-year period to refugee assistance projects. Currently, nine US-based PVOs are implementing sub-projects aimed at increasing self-reliance of refugees in camps and redressing deforestation caused by the placement of large numbers of refugees in certain areas.

Other private donors such as the Italian Government Program and Muslim World League provide project-specific assistance for agriculture, health and water projects. Donors contributing to the WFP include the EEC, Australia, Belgium, Germany, Japan, France, Switzerland, UNICEF and UNHCR.

Recently, donor support for Somalia has dwindled because the camp-based projects often fall short of objectives and ultimately add to the overall costs of caring for refugees. The UNHCR operating budget in 1985 was reduced from its 1984 programming level, and little donor interest has been shown in the 14 Somali projects, totalling nearly 80 million dollars, presented at the ICARA II conference in July 1984. Pressing refugee problems, famine and natural disasters in other parts of the world have deflected interest away from Somalia, as has the lack of programs in finding solutions to the problems here.

Other donors share with the U.S. Government, as represented by USAID, the following views:

- That donor assistance levels for refugees in Somalia, currently in excess of \$60 million yearly, are becoming increasingly difficult to justify in donor capitals and that lasting solutions must be found and applied.
- That the tasks associated with helping settle those refugees who choose to remain in Somalia are essentially of a developmental nature and, as such, must be the responsibility of line agencies of government (e.g., Ministries of Agriculture and Interior, etc.)
- That for refugees to become assimilated as Somalis, they should not be settled in homogeneous clusters but rather should be interspersed with non-refugees in varying proportions; and that subproject site assistance should be provided equitably to both types of settler.
- That subproject plans should, as potential sites are identified, be developed in such a way as to encourage and facilitate spontaneous settlement.
- That disincentives to the relinquishing of refugee status should be reduced and ultimately eliminated. Specifically, refugees should be made aware that food rations and services provided them as refugees will be diminished according to an established time formula for those capable of sustaining themselves, and that a formula will provide necessary but diminishing rations and other assistance to those who choose the settlement route.

The Refugee Settlement Project has evolved from two years of discussions with the GSDR and other donors, and incorporates these views in proposing a low-cost pilot project which will meet the priorities of Somalia's development agenda while providing refugees with the opportunity to become self-reliant contributing members of the Somali economy. Assistance to refugee participants would continue under the project, but phase out as refugees attained self-sufficiency.

2.3. Policy Issues

The lengthy period that the refugees have been in the camps has caused many difficulties. The refugees have grown accustomed to living in a totally dependent status and many resources (both human and financial) are being used for unproductive purposes at high opportunity costs.

The search for solutions is limited by other weaknesses which include a generally low administrative capability and a lack of basic information on the full range of options available, land availability, skill and numbers of refugees willing to participate and potential business and industry opportunities throughout the nation.

The need to resolve policy issues inhibiting progress in developing a viable settlement scheme provides yet another set of constraints. The major issues have been: 1) settlement model, 2) land availability and tenure, 3) phasing out of care and maintenance, 4) refugee choice and participation, and 5) institutional arrangements.

The U.S. Mission has, through its policy dialogue, moved past certain critical issues which have prevented final settlement project design. The GSDR and USAID have agreed to go forward with a low-cost, self-help approach to settlement involving line ministries and the integration of refugees into the national development program. They have also agreed to assigning the MOA as the Grant Implementing Agency. Other matters have been identified which require further clarification and negotiations with the host government as well as UN agencies.

Prior to and during project implementation, the policy dialogue will continue at different levels - the USAID Project Officer on operational questions; the Refugee Coordinator with participating international organizations, non-governmental organizations and host country agencies; and at the highest level, the USAID Director and Ambassador playing a catalytic role with high level government officials and the representatives of donor agencies.

The project will focus attention on policy and program issues as they are identified through policy negotiations and project implementation. Mission will monitor issues on a continuing basis and will review, at least annually, with the Steering Committee, other donors and Washington, progress in achieving desired reforms and policy changes. Mission expects this review to be an important forum for recommendations on funding continuation.

2.4. Relationship to CDSS and to GSDR Strategy

The Mission's strategy in support of refugee settlement as contained in USAID's approved Country Development Strategy Statement (CDSS) is to:

- utilize approaches which emphasize productivity as the basis for settlement rather than social services;
 - integrate settlers into the social and economic fabric of the communities where they settle;
 - include the local population as an integral part and full beneficiaries of any settlement program in a rural development approach to settlement;
 - utilize line ministries and PVO's as leading implementing agents for all projects in settlement;
- follow a methodology which addresses the critical constraints, knowledge base, technology and skilled manpower available in an accelerated program; and
- retain U.S. control of projects by funding through bilateral contribution.

Moreover, the strategy includes support of the institutional mechanism agreed upon by the GSDR and donors to deal with settlement. The structure alluded to is the Settlement Steering Committee and Technical Unit.

The U.S. strategy fits well with GSDR strategy as stated in the Annual Development Plan 1985 (Ministry of National Plan, January 1984). According to the Plan, "The present problems in all sectors are due partly to a shortage of skilled labor, which has a serious impact on implementation of many development programmes."

The settlement project will contribute to the pool of skilled labor by providing: (1) training to refugees, and (2) technical assistance to the ministry which implements the settlement program.

For the area of regional and rural development, the Plan says the immediate aim "... is to accelerate as much as possible the development of rural areas...". One strategy identified to achieve this aim is to implement programs which "... promote active participation of the people in self-help schemes...". The Refugee Settlement Project will contribute to rural development through self-help programs, in which refugee and indigenous Somalis will be active participants.

III. PROJECT DESCRIPTION

The Somalia Refugee Settlement Project addresses one of Somalia's major socio-economic problems, the integration of those refugees who wish to settle in Somalia into the nation's society. The strategy incorporated, in the design, is to support voluntary self-help agricultural settlements and non-agricultural productive activities.

3.1. Project Goal and Purpose

The goal of the project is to assist in the resolution of the refugee problem in Somalia. The purpose of the project is to test viable alternatives to refugee camps which enable refugees to become fully integrated, self-supporting residents of Somalia, thus enabling GSDR and donor resources, which now support refugees, to focus more fully on development.

The Project will run five years during which AID will contribute \$4 million dollars. AID funding will be used to (1) fund the implementation of small-scale Rapid Implementation Projects (RIPs), and two modest size settlement sub-projects, (2) finance a limited number of implementation-oriented assessments and (3) monitor and evaluate project progress.

By the end of the project, USAID expects the following conditions to be achieved:

- At least two pilot settlement projects will have been designed, implemented and evaluated.
- At least 5 Rapid Impact Projects will have been implemented which, building on refugee initiative, provide refugees and their neighbors the means to increased self-reliance.
- The GSDR will have tested and established a viable process whereby settlement projects are appraised, implemented, monitored and evaluated.
- At least 1,600 refugee families engaged in activities which demonstrably lead to self-sufficiency.

There will also be spread effects felt from increased food production, improved income distribution and mobilization of an expanded workforce. It can also be expected that the Project will stimulate settlement ideas which other donors will support with contributions of cash or in kind.

3.2. Project Strategy

The Refugee Settlement Project draws on three main strengths to bring about a low-cost sustainable pilot settlement effort; (1) extensive PVO and GSDR experience in refugee agriculture and self-reliance activities; (2) data collected on land resources, business opportunities and refugees skills and interests; and (3) refugee initiative to settle.

1. PVO Experience

PVOs have been working with refugees in Somalia since the outset of the refugee crisis. They have assisted the GSDR in implementation of all phases of refugee assistance; health, water, agriculture, food distribution, etc. PVOs have also played an instrumental role in the development of GSDR capacity to manage the assistance program itself, working alongside such GSDR technical units as the Refugee Health Unit, Refugee Water Supply Division, and Emergency Logistics Unit (ELU) while these units developed the capacity to manage and implement large, complex projects. Two of these, the CARE/ELU operation and the RHU primary health care system, have won justifiable international acclaim for their efforts.

PVOs are now also spearheading the move towards settlement of refugees with small trial projects in and around the camps which assist refugees in agriculture and business opportunities and lead towards self-reliance. The Refugee Settlement Project builds on these efforts in three ways: first, by funding Rapid Impact Projects to continue PVO/GSDR initiated efforts, second by involving PVOs in the consultation process towards development of sub-projects and finally by inviting PVOs to assess the Somalia Settlement situation and offer proposals for settlement sub-projects.

2. Studies and Assessments

Despite real constraints to research in the refugee camps, an extensive amount of study has been directed towards finding solutions to the refugee situation in Somalia. Among the more prominent settlement-related studies have been the UNHCR Somalia Settlement Report, O. Backett et al.; "Refugee Settlement in the Lower Shabelli", Brian Spooner, and "Thoughts on Refugee Settlement", Development Alternatives Inc.

Two studies are presently underway or about to get underway which will significantly add to this information. A Land Resource Review, conducted for the Mission by Resource Management and Research, Inc., (RMR) is collecting information from the Northern, Central, and Southern Rangelands to identify potential settlement sites and assess the sites' physical resources, human and animal populations and environmental trends. A second study, soon to be funded by USAID and the GSDR, will collect baseline data on refugee backgrounds and skills with a view towards using this information in settlement planning. The study is expected to last one year and reach camps in all regions.

The Refugee Settlement Project will integrate the data available from these and other sources with the on the ground experience of PVOs in self-reliance and RIP activity to identify sites with high potential for further settlement activity. Once identified, the project will fund site assessments on those sites with a high likelihood for implementation of a settlement sub-project. The terms of reference for all site assessments will be jointly approved by USAID and the MOA.

3. Refugee Initiative

The third of these strengths, refugee initiative in developing strategies for survival in Somalia, is the strongest point of the project strategy. Refugees in Somalia have proven themselves resourceful and industrious in devising means to provide income and opportunity to their families, and have, in general, responded well to outside assistance. In the Lower Shabelle Region refugees have combined crop sharing and tenancy arrangements to obtain irrigated farmland to support themselves. In other regions, with the assistance of PVOs and GSDR technical units, refugees have set up small-scale businesses and cottage industries. Both in the design of RIPS and sub-projects, and in the site assessments, the Project will seek to focus on instances where this initiative can form the base for long-term productive activity. The project will thereby avoid to the extent possible high cost settlement infrastructure projects and projects which, overlooking refugee strengths, "reinvent the wheel."

3.3. Project Elements

The Refugee Settlement Project consists of four components: (1) Rapid Impact Projects, (2) Site Assessments for Settlement Sub-Projects, (3) Settlement Sub-Projects, and (4) Monitoring and Evaluation.

1. Rapid Impact Projects

The Project proposes the initiation of about 5 small-scale sub-activity RIPS soon after project start-up. USAID will earmark \$790,000 in foreign exchange to fund RIPS which can be implemented by PVOs and Somali public and private non-profit institutions. Local communities and private refugee and non-refugee entrepreneurs might also be involved in RIPS. It is anticipated that each RIPS will not last longer than one year and will cost about \$150,000. The GSDR will provide \$400,000 in local currency for the RIPS.

There are a number of examples of on-going projects which would benefit from such funding. Among them:

- o The Ali Fata project in Lower Shabelle where one hundred families applied to the Ministry of Agriculture and obtained land near the Shabelle River for farming. The Ali Fata group went to the Somali authorities requesting assistance to hire a bulldozer to build up the river bank for flood protection and a pump to drain their land and irrigate crops. This group was offering their ration cards (i.e. refugee status) in return for the assistance.
- o Refugees in the Gedo Region have leveled land near the river, gone into partnership with a person who could finance the purchase of a pump and are now raising cash crops--tobacco, tomatoes, onions, other vegetables--for sale in regional centers. If funds were available for a small grant or even a loan, people like this could become self-reliant. And there are other examples in business--shop keepers, bakers, leather workers, etc.

- o One hundred farmers are farming irrigated land near the Halba camp, adjacent to the Juba River in the Gedo Region. The farms produce cash crops (maize, sorghum, onions and other vegetables) which the refugees sell in town. This activity was started by a PVO, World Concern, under a self-reliance program and could be transformed into a settlement activity with resolution of the land tenure question and funding for self-help shelter, tools and training.
- o A significant number (est. over 50%) of camp-based refugees in the Lower Shabelle region are renting irrigated farmland as far away as Kurtunware (30-40 km.) in individual and small group attempts at self-sufficiency.

The diversity of these examples indicates that a variety of sub-project implementation strategies are possible and that settlement issues will not be identical at each site. Early implementation of RIPS will permit all parties to experiment with implementation and identify and resolve policy issues, at the same time providing settlement-directed assistance to participating refugees and local Somalis.

RIPs therefore will have two distinct but mutually reinforcing purposes. The first, to assure that efforts continue in and around the camps to provide innovative assistance to refugees seeking to settle in Somalia, and the second to gain the most applicable type of information about settlement possibilities, hands-on experience. PVOs and individual refugee groups have shown initiative in getting such projects underway. RIPS will build on this initiative, not supplant it. PVOs will be contacted regarding the development of unsolicited grant proposals for RIPS and are expected to work closely with participants in the design and management of project activities.

2. Site Assessments

The Project earmarks \$200,000 for assessments to be conducted on sites or activities which hold promise for successful settlement activity. The primary targets for these assessments are expected to be the sites identified by the USAID-funded Settlement Land Use Survey and RIP activities.

By September 1986 the Land Use Survey is expected to have identified a number of viable sites for agricultural settlement activity, and ranked these sites by potential for implementation of settlement activities. The survey, currently underway, has already provided the Mission with promising results. Results of RIP activity will also be available during Year 2 of the Project, indicating where progress has been greatest and potential follow-on most likely.

Once potential settlement sites and activities have been identified, agreed upon and ranked, site assessments will be undertaken at the most promising sites. Up to eight such assessments are envisioned with all expected to be completed by the end of Year 2 of the project.

An alternative would be to proceed with sub-projects without undertaking site assessments. While this is possible, such an approach risks leaving too many major issues open to speculation and assumption in sub-project design. Clearly, refugee settlement will be a complex undertaking, and studies done to date, while beneficial, are not focussed on particular areas of opportunity. By funding site assessments, USAID and the GSDR provide a means to examine land and resource use, site-specific development potential and the needs and expectations of local populations prior to sub-project implementation.

The principal task of site assessment teams will be to assess the potential of each identified site for settlement activities that include both refugee and non-refugee populations.

Teams will:

- (1) Identify the major social and cultural groups (refugee and non-refugee) living in the area; identify group leadership; assess community attitude toward actual (or potential) refugee presence; identify perceived community needs.
- (2) Identify political and economic leadership; assess its receptivity to refugee presence; establish its assessment of perceived needs.
- (3) Assess prevailing land and resource tenure arrangements; assess possibilities for integrating refugee families into those arrangements.
- (4) Assess local economy; identify major economic activities within both agriculture and non-agriculture sectors; identify employable skills in local labor market; identify opportunities and constraints existing in agriculture and non-agricultural sectors of the local economy.
- (5) Assess the extent (or lack thereof) of infrastructure and social services; assess the relative economic and social well-being of the local population (refugee and non-refugee).

Based on the above data, teams will recommend specific settlement activities. The team will indicate their cost, number of beneficiaries (male, female, refugee, non-refugee); and the opportunities/constraints each activity presents for achieving refugee self-sufficiency and acceptance within the local context. It will also rank the activities, based on judgment as to their relative potential for successful implementation within the allowed time frame (9-12 months for RIPS, two to three years for sub-projects).

It is to be expected that variety will be exhibited in the sites and activities to be assessed. Issues which might be critical to the success of an agricultural settlement might not require attention in a project with an urban or semi-urban focus. For this reason the exact composition of assessment teams will vary. However, teams will have among their party at minimum a social scientist and economist. Planning and conduct of the site assessments will be a joint responsibility of USAID and the MOA.

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3. Settlement Sub-Projects

By the end of Year 2 the Project expects to have adequate experience with RFPs and information from site assessments to have identified a sufficient number of targets of opportunity for settlement. Ongoing policy dialogue will also have led to agreement on key settlement issues and the organizational framework for project implementation.

The Project will earmark \$2.2 million for the implementation of settlement sub-projects with an additional \$400,000 local currency contribution from the GSDR. The design of these activities will be conducted by the Ministry of Agriculture in conjunction with the GSDR Settlement Steering Committee and USAID.

When settlement opportunities have been identified, the Ministry of Agriculture will invite U.S. registered PVOs and U.S. based non-profit organizations to submit unsolicited grant proposals for funding under the Project. Somali PVOs and non-profit firms will also be invited to participate in this process. Unsolicited proposals will be submitted to the Ministry of Agriculture, reviewed by the Settlement Steering Committee and approved by USAID prior to funding by grant or cooperative agreement.

Until land resource reviews are completed, and assessments made, it is difficult to provide details on sub-activities. The major emphasis of effort through sub-activities will be to assist refugees in agricultural enterprises, although the location and crop mix/activity mix is not yet firmly established. There are a number of income generating activities that might be appropriate. These include agricultural small-scale enterprises, and labor intensive construction activities. Other possibilities include beekeeping, weaving, leatherwork, poultry-raising, processing of dairy products, tool making, and tailoring.

It is clear that the inputs required to carry out sub-projects may vary substantially by activity. However it is expected that the establishment of new settlements will require some infrastructure and equipment support, technical assistance, social service establishment, and initial care and maintenance. Settlement activities would provide settlers with technical assistance, limited infrastructure, (i.e. secondary, tertiary access roads, community facilities, potable water) minimal social services, some farm and household inputs and temporary food aid. In return, the people will be expected to work the land and achieve self-sufficiency within a three to four year period.

4. Monitoring and Evaluation

The Project earmarks a \$640,000 USAID contribution for site assessments, and monitoring and evaluation of Project progress and sub-activities. Of this sum, approximately \$240,000 will fund and support a Project Coordinator in the MOA. One of the Project Coordinator's primary tasks will be to monitor RIP and sub-project progress on a quarterly basis. The incumbent will work with a counterpart from the MOA and will report to the USAID Project Manager. \$200,000 will be set aside to fund an administrative coordinator in Hargeisa, to oversee Project activities in the Northwest. \$200,000 will be used to undertake assessments of potential sites for sub-projects.

3.4. Criteria for Sub-Project and RIP Selection

The 5 RIPs will be initiated as soon as possible following Project authorization. Each RIP will consist of relatively simple, discrete activities that can be started and ended within 9-12 months. Each RIP is intended to provide quick and ready assistance for up to 90-100 beneficiary families at a total cost of about \$150,000 in USAID funding. The two longer-term sub-project activities will begin in Year 3 of the Project, possibly as an outgrowth of RIP activities. Each one will last two to three years, and consist of development assistance for 600-700 beneficiary families at a total cost of about \$1,100,000 in USAID contributions each.

The following are criteria for the selection of RIPs:

- (1) The proposed RIP must be designed to have immediate impact, and to be of short duration (less than 12 months).
- (2) The proposal must discuss how the RIP will contribute to refugees' eventual self-sufficiency.
- (3) The proposed RIP must be low-cost, and not exceed \$300 per beneficiary.
- (4) The proposal must identify up to 90-100 beneficiary families, disaggregated to identify numbers of refugees vs local populace and males vs females, and identify those households which are women-headed.
- (5) The proposal must demonstrate the applying NGO's capabilities and experience to implement the RIP activity.
- (6) The proposal must define the roles and responsibilities of all participating organizations.
- (7) The proposal must discuss how the RIP will select refugees for participation, and how identified beneficiaries will participate in implementation.

RIP proposals are expected to be brief, following essentially the guidelines for OPG proposals offered in AID Handbook 3, Chapter 4.

The following are criteria for sub-project selection:

- (1) The proposal must demonstrate clear linkages between sub-project activities and the self-sufficiency to be achieved by participating refugees.
- (2) The sub-project activity must be low-cost, not exceeding \$300 per beneficiary.

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- (3) The proposal will identify up to 600-700 beneficiary families, disaggregated to identify males vs. females and refugee vs. non-refugee beneficiaries, and identify these households which are women-headed.
- (4) The proposal must demonstrate the applying NGO's capabilities and experience to implement sub-project activities.
- (5) The proposal must define the roles and responsibilities of all participating organizations.
- (6) The proposal must discuss how the sub-project will select refugees for participation, and ensure their access to land and resources.
- (7) The proposal must also discuss the role of food aid and the steps that the sub-project will take to gradually reduce refugees' dependence on camp rations.
- (8) The proposal will discuss how the sub-project will ensure that refugees are fully interspersed among the local non-refugee population.
- (9) The proposal will discuss how beneficiaries will participate in implementation of sub-project activities.
- (10) The proposal must satisfy AID requirements for specific support grant proposals, in accordance with Handbook 3.

Criteria for selection of both RIPs and sub-project will be included in the Project Agreement.

3.5. RIP and Sub-Project Proposal Review Process

Ideas for settlement activities can come from many sources: refugees, NGOs, line ministries, the Steering Committee, USAID, or from the rapid assessments that will be conducted early in Project implementation. A potential implementing organization (or applicant) submits a concept paper to the MOA and USAID. The Project Coordinator and his counterpart in the MOA will be responsible for coordinating a technical review of the concept paper by the MOA and USAID. If the MOA and USAID approve the concept paper, the applicant will be asked within three weeks of its receipt to submit a full proposal.

As soon as the Project is authorized, the USAID Project Manager will convene an internal USAID Project Review Committee. The committee will be composed of members of Program, Project, Controller and Engineering offices, as well as the Mission Environmental and Women in Development officers. It will be the committee's responsibility to advise the applicant on: the structure, format, and data expected in a full proposal; the appropriate funding mechanism for the proposed activity; and any additional legal or procedural requirements necessary for AID approval, including environmental review. The applicant will submit the full proposal to the MOA. The Project Coordinator and his counterpart will be responsible for coordinating the technical review of the full proposal by the MOA and the relevant line

ministries. Upon completion of the technical review, the MOA will be responsible for seeking policy approval from the Steering Committee, a Standing Committee of GSDR and international organizations which meets to set settlement policy and review possible settlement proposals. Once the MOA and the Steering Committee have given their approvals, the MOA formally submits the proposal to USAID. It will be the responsibility of the Project review committee to review and to approve the proposal on behalf of USAID.

3.6. Role of Food Aid

As refugees come forward and are selected for participation in the settlement project, their status will change. The change will alter their standing with regard to the provision of food and non-food commodities--not their status as refugees. The NRC believes that the change of status from refugee to settler should not take place until the GSDR decides that the refugees are socially and economically integrated, self-reliant and elect to become citizens.

The project proposes that once a refugee elects to settle, the refugee will no longer be included on the rolls of camp refugees; the refugee's name comes off of the emergency food and non-food item distribution lists. Food assistance provided refugees during the settlement process changes from emergency food aid through the NRC to a separate development category of food aid wherein the refugees, by virtue of their participation in project activities, are compensated with food for period of time fixed by the project.

The most promising avenue for food aid appears to be the World Food Program which is able, experienced and willing to become involved. The food aid framework would establish a fixed term of reference for self-reliance objectives and a time frame for reaching the objectives and cut off of food. The details for coordinating food for work programs with settlement sub-projects are being considered. A framework within which food aid programs will be utilized will be determined within the first twelve months of the Project by AID, WFP, and the Steering Committee. Sub-project proposals will address the use of food aid.

3.7. Women in Development

The role of women in the continuation of refugee family structure within camps has been well documented. Most reports indicate that women-headed households predominate in the camps. While evidence suggests that a number of these women may have spouses outside of camps who provide some support to the family, many women are responsible for day-to-day care and maintenance of the household, as well as providing the primary source of family income.

Since projects will address the needs of families wherein the primary family burden of labor is on women, each sub-project will be required to disaggregate the beneficiaries by sex, and identify those households which are women-headed. Project-funded activities will be expected to incorporate women as fully as possible.

There will doubtless be a number of constraints upon full participation of refugee women in the Project, but proposals for grant funding will show the intent to incorporate women, the measures taken to overcome constraints and

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the type of involvement anticipated, as well as the target number of beneficiaries. USAID will consider these factors in its review of RIP and sub-project proposals.

IV. COST ESTIMATE AND FINANCIAL PLAN

The total cost of the Refugee Settlement Project is estimated at \$6 million. The United States Government will contribute \$4 million in Refugee Program funds. The GSDR and refugee groups will contribute the Somali Shilling equivalent, or an in kind labor contribution, amounting to approximately \$2 million. The GSDR contribution of the Somali Shilling equivalent of \$1 million at the official government to government exchange rate, will come from local currencies generated through USAID funded Commodity Import Programs. Refugee group contributions will be principally in the form of labor as part of sub-projects. The Project funding level does not reflect food aid contributions.

AID

Personnel (\$640,000): AID will provide \$240,000 to fund the services for two years of a personal services contractor to assist the MOA in the monitoring and management of the Project. \$200,000 has been allocated to undertake assessments of up to eight potential sites for sub-projects. \$200,000 will support and administrative coordinator in the Northwest.

Commodities (\$80,000): Eighty thousand dollars will be provided by USAID to improve the monitoring and management capacity of the MOA. Included in this are 4-wheel drive vehicles and spare parts, office supplies and furnishings and one microcomputer. AID will procure all commodities.

Support (\$90,000): AID will provide funds to the AID/Field Support Unit (FSU) for support of the PSC Project Coordinator for the life of the contract. FSU support includes furniture and appliances, house westernization, leases, housing, guards, etc.

Evaluation/Audit (\$200,000): Two hundred thousand dollars is earmarked for independent project evaluations, and an end of project audit.

Settlement Activities (\$2,990,000): A total of \$2.99 million is allocated to fund project settlement activities. \$790,000 will fund Rapid Impact Projects and \$2.2 million is allocated for two settlement sub-projects. Sub-projects will be implemented by agencies eligible for Specific Support Grants. RIPS will be funded either through Specific Support Grants or Direct Reimbursement, in accordance with AID regulations.

GSDR

The GSDR contribution to the Project is based on estimates of shilling costs at current wages and prices. The level of GSDR funding will be assessed by USAID, the Ministry of Finance and the MOA annually to assure that funding levels are appropriate.

Personnel: The GSDR will allocated the Somali Shilling equivalent of \$100,000 for long and short-term personnel, Of this, \$50,000 will fund local costs for carrying out site assessments, monitoring, and evaluation functions.

Commodities and Support: The local currency equivalent of \$95,000 will be used to purchase office equipment and supplies, maintain vehicles (including fuel) and finance local currency support costs for Project-funded technical assistance.

Settlement Activities (\$800,000): The GSDR will contribute the shilling equivalent of \$800,000 towards settlement sub-projects and Rapid Impact Projects.

Evaluation: The GSDR will allocate the equivalent of \$5,000 for evaluation, to be used to support local costs for project evaluations, including the use of Somali firms to undertake evaluations, if desired.

SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(\$000)

	<u>AID</u>	<u>GSDR</u>	<u>Other</u>	<u>Total</u>
I. <u>Settlement Activities</u>	<u>2990</u>	<u>800</u>	<u>1000</u>	<u>4790</u>
Rapid Impact Projects	790	400	280	1470
Settlement Sub-Activities	2200	400	720	3320
II. <u>Technical Assistance</u>	<u>640</u>	<u>100</u>		<u>740</u>
A. Long-Term	440	50		
B. Short-Term	200	50		
Site Assessments				
III <u>Commodities</u>	<u>80</u>			<u>80</u>
Vehicles and Spares	50			
Micro Computer	20			
MOA Office Furniture/ Supplies	10			
IV. <u>Support Costs</u>	<u>90</u>	<u>95</u>		<u>185</u>
P.O.L.		5		
FSU	90	90		
V. <u>Evaluation/Audit</u>	<u>200</u>	<u>5</u>		<u>205</u>
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	4000	1000	1000	6000

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Methods of Implementation and Financing

<u>Methods of Implementation</u>	<u>Methods of Financing</u>	<u>AID FX Amount (\$000)</u>
<u>Technical Assistance</u>		
PSCS	Direct Payment	440
Short-Term Consultants.	Direct Payment	200
<u>Commodities</u>		
Direct AID Contract, PIO/Cs and supply contracts	Direct Payment/ Direct Letters of Commitment (DLC)	80
<u>Operational Support</u>		
Implementation Letter to earmark (Direct AID Contract/PIO/Cs, supply contracts, purchase orders to implement)	Direct Payment or DLC	90
<u>Evaluation/Audit</u>		
Direct AID Contract	Direct Payment	200
<u>Settlement Activities</u>		
Specific Support Grants	Letter of Credit to Federal Reserve Bank/ Direct Reimbursement	2,990
Total	N/A	4,000

The Technical Unit will continue to assist the Steering Committee, and at the request of the MOA, assist in the technical review of sub-project proposals.

Expanded Steering Committee

As settlement sub-projects are identified, the Chairman of the Steering Committee will extend invitations to technical ministries and agencies to participate on the Committee. This extended Committee membership will include members from the MOA; and could include members from Ministries of Public Works, Fisheries, Livestock, Forestry and Range, or others. This expanded membership will broaden the scope of the Committee and facilitate coordination of efforts among participating ministries.

Role of the National Refugee Commission: In addition to chairing the Steering Committee and the policy level responsibilities at the Committee level, the NRC will play a major role in coordinating settler selection and orientation, setting criteria to determine self-sufficiency, coordinating food aid to settlers, preparation of conversion to settler status, acquisition of land for settlement, movement of refugees to settlement sites and monitoring/evaluating settlement activities. Settlement activities will clarify this role with respect to each grant.

PVOs and NGOs: These groups will be encouraged to submit proposals for RIPS which build a prior experience with refugees in Somalia. These RIPS will be funded with Specific Support Grants to eligible agencies. U.S. PVOs and non-profit organizations as well as Somali NGOs and public institutions will be eligible for RIP funding. Sub-projects will be developed following the recommendations which evolve from RIPS and site assessments. PVOs will be asked to review this information and submit unsolicited proposals for grant funding. AID foresees that Specific Support Grants, including OPGs, will be used to fund these activities as well, but a Cooperative Agreement mechanism will be considered if significant AID involvement is considered necessary for effective implementation or monitoring of project activities.

Technical Ministries

Technical ministries will participate in the development of sub-project proposals. PVOs and other implementing agencies will get the concurrence of the relevant technical ministries as part of sub-project proposal preparation. Sub-projects will likely have requirements for technical ministry input into areas of activity. In each case, the role of individual technical ministries and agencies in implementation of sub-project activities will be described in sub-project proposals and grant and if necessary separate sub-agreements will be signed with each.

AID

AID will assign a Project Manager from its Rural Development Refugee Affairs Division. This officer will manage the contract of the Project Coordinator and have primary responsibility for implementation of all project activities. The project manager will chair AID review of committee meetings RIPS and sub-project proposals, ensure that project conditions and documentation requirements are met and monitor project activities.

V. IMPLEMENTATION PLAN

The final responsibility for implementation of the Refugee Settlement Project rests with the MOA and USAID. Nonetheless, the project will rely on the participation of a number of other agencies of the GSDR, the United Nations and the private sector. Most significant among these are:

- Settlement Steering Committee
- National Refugee Commission
- GSDR Technical Ministries
- PVOs and NGOs

5.1. Roles and Responsibilities

There is no ready-made blueprint for coordinating and managing programs of this nature. However, in Somalia, USAID has three years of experience with this type of coordination with refugees in projects under the USAID Refugee Self-Reliance and CDA Forestry Projects as a guide. The roles, responsibilities and working relationships as we know and envision them are discussed below:

Ministry of Agriculture: As the General Implementing Agency the MOA will be responsible for the approval, monitoring and management of all Project activities on behalf of the GSDR. The MOA counterpart, assisted by the Project Coordinator, will direct the technical review of sub-project and RIP proposals, coordinating review with relevant line-ministries, and the Technical Unit of the Settlement Steering Committee. The MOA will also be responsible for assuring that all proposals meet the agreed upon criteria for selection and approval identified in the Project Agreement. Should an exception to these criteria be required, the MOA will meet with USAID to consider granting exceptions. Finally, the MOA will be responsible for presenting all proposals which meet the criteria and pass technical review to the Settlement Steering Committee for review of policy issues. The MOA will will oversee monitoring and evaluation.

Settlement Steering Committee: Presently the Steering Committee is composed of the National Refugee Commission (Chairman), the Ministry of National Plan, UNHCR and UNDP. This composition is a balance of humanitarian concerns with basic national development interests. The responsibility of the Steering Committee is refugee settlement policy development, project identification and project approval. Under the Steering Committee is the Settlement Technical Unit with responsibilities which include the formulation of projects, technical coordination between agencies involved in refugee settlement, reporting on the status of projects to the Steering Committee and project evaluation.

The Steering Committee will take responsibility for the resolution of all settlement policy issues as they relate to the project. After technical review of sub-project proposals by the MOA, the MOA will present proposals to the Steering Committee which will review the proposal for adherence to Project selection criteria.

5.2. Procurement

Funding for the Refugee Settlement Project comes from funds appropriated under the Migration and Refugee Assistance Act of 1962. In 1982, AID developed Policy and Program Guidelines for projects funded through the MRA which advised following the procurement policies and procedures set forth below:

1. Procurement source/origin and nationality:
Apply in order of preference as follows:
 - a. United States (Code 000)
 - b. Host Country or Geographic Code 941
 - c. Geographic Code 935
2. Ocean shipping
 - a. Cargo preference applies
3. Procurement Procedures
 - a. Handbook 11 for Host Country Contracts
 - b. AAR and FAR procedures for direct contracts

These guidelines will be followed in the Refugee Settlement Project, with the following modifications:

- a. A decision to procure from other than the U.S. must be documented in project files showing how the order of preference was applied.
- b. A decision to procure from countries other than the United States, Somalia, or countries included in Code 941 is to be based on a justification substantively conforming with the source/origin/nationality waiver criteria set forth in Chapter 5 of Handbook 1, Supplement B, and approved by the Mission's Project Committee.
- c. Efforts will be made to utilize grant instruments to the maximum extent appropriate under law, and formats developed by the mission for grants and cooperative agreements using Refugee funds will be used.
- d. If deviations from AID's procurement procedures are required for project implementation, such deviation will be approved by the Mission Director or Acting Mission Director after consultation with the Project Committee and clearance by the Mission Contracts Officer and the RLA.

Commodities

AID will procure a limited amount of commodities under the Project. \$80,000 is allocated to buy 4x4 vehicles, a microcomputer and a limited number of office supplies and equipment for use by the MOA in the implementation of Project activities. An office will be established in the MOA which will house the Project Coordinator, his or her

counterpart and two to three support staff (Clerk-Typist, driver). The vehicles will be used by the Project Coordinator and counterpart in support of monitoring and evaluation activities.

PVOs and other sub-project implementing partners will handle their own procurement following the guidelines presented above. The Project will permit procurement of cooperating country, U.S. and 941 source and origin. Procurement of commodities from 935 source or origin will require Mission approval, and will be handled on a case by case basis.

Technical Services

AID will advertise and recruit the Project Coordinator. The position will be filled by an individual under a Personal Services Contract (PSC) with USAID/Somalia. The USAID/Field Support Unit (FSU) will procure furnishings and appliances for the contractor, locate and maintain housing. The Project Coordinator will be assisted by a Somali USAID hire who will take over Project responsibilities upon the conclusion of the Coordinator's contract. AID will also hire locally an administrative coordinator to oversee Project activities in the Northwest.

The Mission will recruit technical assistance to conduct site assessments. Teams will range from two to four individuals and average 10-12 person weeks. AID will directly contract with all site assessment teams either through individual Personal Service Contracts or IQCs.

Sub-Activities

Settlement sub-projects will be funded through Specific Support Grants or Cooperative Agreements jointly signed by AID, the MOA and the implementing agency. For the Rapid Impact Projects, AID anticipates also using the Specific Support grant mechanism. U.S. PVOs and non-profit organizations as well as Somali PVOs, NGOs and public institutions would be eligible for such grants. Exceptions authorizing funding to other agencies for grant activities will be made by joint agreement between the USAID and MOA and be the subject of a Project Implementation Letter.

5.3. Schedule of Major Events

Following is a summary schedule of major events. Activities for approximately the first year are in months. After the first year, timing is in Calendar Year quarters.

<u>Activity</u>	<u>Timing</u>	<u>Responsibility</u>
Agreement with GSDR on criteria for sub-pro- ject and RIP selection	5/86	USAID/GSDR
Project Paper approved	5/86	USAID
Discussions with PVOs on RIP possibilities	5/86	USAID/PVOs
- Sign ProAg	8/86	USAID/GSDR
- Prepare PIO/Cs	9/86	USAID
- Prepare PIO/T for PSC	9/86	USAID
- CPs met	9/86	GSDR
- Land Use Survey completed	10/86	Contractor
- First commodities arrive	1/87	USAID/GSDR
- Agreement on settler selection	1/87	USAID/GSDR
- PSC arrives	2/87	USAID
- MOA counterpart assigned	2/87	GSDR
- RIPS signed	2/87	USAID/GSDR/PVO
- First assessment undertaken	2/87	USAID/GSDR/CON
- Assessment of RIPS	4/87	Contractor
- PVO Review	1/88	USAID/PVOs
- First Evaluation	2/88	USAID/GSDR
- PVO sub-project proposals	4/88	PVO
- Sub-project begin	2/89	USAID/GSDR
- 2nd Evaluation	3/90	USAID/GSDR
- End of Project Audit	2/91	USAID
- PACD	3/91	

VI. Monitoring and Evaluation

Monitoring of the Refugee Settlement Project will be carried out by both AID and the MOA to ensure that project activities adhere to stated objectives and implementation schedules.

6.1. PSC Project Coordinator

The Project-funded Project Coordinator will be under a Personal Services Contract to USAID, to work with the MOA to fulfill its management and monitoring role. He will be assisted by a Somali USAID hire, who will take over Project responsibilities upon the departure of the Project Coordinator.

One of the assigned responsibilities of the Project Coordinator is to make quarterly visits to sub-project sites. Following each visit the contractor, along with his/her counterpart, will submit a written report on implementation status and problems. This report will assess sub-project progress towards objectives and compliance with Project regulations and requirements. It will also identify constraints and suggest alternative solutions to problems, specifying actions to be taken by each party. Project Coordinator's reports will be submitted to the USAID Project Manager and the MOA for distribution to the Steering Committee.

The Project Coordinator will report directly to the USAID Project Manager and will submit quarterly progress reports to this person and to the responsible MOA official.

6.2. Grantee Responsibilities

Implementing agencies will be expected to monitor and evaluate their own progress towards meeting project objectives. This internal process begins with the project design. Proposals for RIPs and sub-projects will include a plan for monitoring and evaluating all aspects of activity implementation. Case studies will be expected which trace project impact on individual beneficiary families or target groups through the period of project implementation.

Grant Agreements to implementing agencies will include, as part of the Project Description, required reports and reporting formats and implementing agency evaluation responsibilities.

6.3. Project Evaluations

Two Project evaluations will be conducted. The first one will take place in Year 2; the second at the end of Year 4. The first evaluation will have two principal thrusts. First and foremost it will assess the project within the larger context of national issues and policies concerning refugee settlement. It will serve secondarily, as a project evaluation of implementation progress and impact.

The following is a list of representative questions the evaluation team will be expected to address.

On Project Management: (1) To what extent are USAID, MOA, and the Steering Committee coordinating their implementation functions? (2) Do GSDR agencies demonstrate adequate institutional capabilities to pursue actions for which they are responsible? (3) What actions are responsible agencies pursuing to ensure early design of longer term development projects?

On RIPs: (1) What has been their impact on refugee-settlers and local host populations? (2) Have they been carried out in timely fashion, and achieved their limited stated objectives? (3) To what extent have local settlers and host populations contributed either to the planning or implementation of RIP activities? (4) How effectively have the NGO implementers performed? (5) Are the NGOs making efforts to expand the RIPs into longer term development activities? (6) How have RIPs dealt with questions of land and resource tenure? (7) To what extent have they been successful in reaching refugee women?

On Policy Environment: (1) What are the outstanding policy issues concerning refugee settlement? How are these issues being handled? (2) Should there be an expanded follow-on settlement project? (3) What lessons from past or present settlement experience should be considered in any design effort for an enlarged project?

The expertise required by this evaluation will be extensive experience with, and knowledge of, Somali culture and refugee populations; knowledge of Somalia's crop and livestock sectors; knowledge of small-business operations in a developing country context; and thorough familiarity with the Somali institutional and organizational context within which development activities must be conducted.

The second evaluation will be a comprehensive assessment of implementation progress and of institutional performance on the part of all responsible parties. Building on information from, and the accumulated experience since, the first evaluation, the second evaluation will again assess possibilities for follow-on project. It will recommend alternative directions which the enlarged project should take, and restate any lessons that should be considered in its design.

A total of \$200,000 in AID funds will be made available for these two evaluations, and on end of project audit.

VII. SUMMARY OF ANALYSES

7.1. Technical Analysis Summary

Technical analyses will be required for each proposed sub-project and will be determined by the results of the on-going Land Resource Review and Site Assessments, the Assessment of Refugee Skills and progress of RIPS. RIPS themselves will contain individual technical analyses of planned activities.

The Land Resource Review will identify areas suitable for agricultural settlement activities. It will provide data on land use and resources based on ground studies, aerial surveys, and mapping surveys. The end product will be information on each area's climate; water and other natural resources; landscape and landform; soil; vegetation; land use; vectors and diseases; infrastructure; environmental trends; and human populations. Based on this information, the Land Resource Review will then assess each area's potential for settlement.

The Assessment of Refugee Interest, Skills and Experience will identify refugees willing to participate in sub-project activities. It will conduct a survey of refugee populations to assess their occupational abilities and preferences; level of training; future life expectations; and willingness to participate in settlement activities. Sub-projects can then be designed on the basis of a target population whose skills, interests, and expectations are known. Sub-projects in which there is little refugee interest can be dropped, while others can be modified in the light of information gained about potential participants. It is expected that RIP activities will add to this body of knowledge.

On the basis of these studies and RIPS, USAID and GSDR will select particular areas that demonstrate high potential for settlement activities. site assessment teams will be identified to visit up to eight selected sites. These teams will verify the technical, economic, and social suitability of each site for settlement purposes. Teams will also consult with local officials and community leaders to assess their receptivity to the prospect of refugee settlements in their area, and what local communities might expect in return.

The Project Coordinator and AID Project Manager will review the results of these studies and surveys and will discuss the implications with GSDR. Following this review and discussion process, the Project Coordinator will prepare a document summarizing the findings and conclusions of these studies. PVOs and other eligible implementing agencies will then be invited to review these findings and submit unsolicited proposals for sub-project activities.

USAID will monitor and evaluate proposals for technical feasibility through the USAID Project Review Committee. USAID Project Review Committee will be expected to call on technical officers to provide input relevant to

the review of individual proposals. The recent addition of a Mission Environmental Officer, and expansion of the Engineering Office strengthens USAID capacity to identify critical technical issues.

Inclusion of line ministries on the Steering Committee and assistance of the Technical Unit to the MOA will permit the GSDR to identify and review technical issues in these proposals.

In addition to assessing technical feasibility of various types of sub-projects, as outlined above, settlement sub-projects must assess the availability of potable water and if not available in sufficient quantities, must specify the technical inputs required to develop potable water sources.

7.2. Economic Analysis Summary

The approach taken in this analysis is one of comparing the cost of resettling the refugees in a facilitated spontaneous manner--in which a given amount of resources impact upon the largest possible number of refugees--with the cost of maintaining them in camps into the future.

Appendix D presents the economic analysis in considerable detail. Basically the conclusion is that the project offers a considerable potential for savings over the cost of continuing to maintain the refugees in their current camp environment.

On an economic basis then, the Refugee Settlement Project appears to be reasonably sound. It is to be stressed, however, that this result depends upon a number of critical assumptions and conditions. The GSDR must be willing to accept a low-cost, facilitated/spontaneous settlement model as opposed to the high-cost comprehensive approaches it has favored in the past. Sufficient land of suitable quality must be identified and the tenure of the refugee settlers assured. An appropriate institutional framework for implementing the project must be agreed to as well. Finally, the wishes of the refugees themselves regarding resettlement/repatriation must be ascertained and appropriate reinforcement provided to aid their choice (i.e. a reduced level of care and maintenance in the camps coupled with economic opportunities elsewhere). Failure to achieve one or more of these assumptions and conditions could have a critical negative impact upon the economic viability of the project.

7.3. Social Soundness Summary

Most of the refugee population now residing in Somalia's refugee camps share a similar background with their hosts. The majority of refugees (perhaps as much as 90%) belong to Somali clans who have long occupied the Ogaden Region of Ethiopia and who have considerable linkages to groups within Somalia.

The refugee and host Somali peoples are organized into a clan political system in which related lineages claim rights to grazing, water and farm land in particular areas. These claims must be frequently renegotiated between lineages and clans, as climatic conditions change and resources become exhausted.

Most refugees, like Somali nationals, are agro-pastoralists, ranging from nomadic pastoralists to sedentary horticulturalists keeping a few livestock. Virtually all refugees formerly farmed and most kept livestock in their homelands. Like Somali nationals, some refugees also engaged in periodic wage employment and urban-based artisanship.

Existence in refugee camps since 1977-78 has not generally encouraged a return to the mixed agro-pastoral and urban-based economy formerly practiced by the refugees. Until very recently (1983) refugee camp inhabitants could not acquire land on which to farm in Somalia. Their livestock herds were either destroyed or left behind in Ethiopia, although some refugees have managed to purchase and build up their herds through wages saved from employment in Somalia. Only a fraction of camp inhabitants have access to "farm land. Some have been able to obtain jobs outside the camps or to start up small businesses in nearby towns.

There is, therefore, a need to assist those refugees who wish to become economically self-sufficient once again. The Refugee Settlement Project purpose is to support those families who are ready to settle in Somalia, taking up farming or urban occupations on a full-time basis. Not only will the refugees then cease to depend on food and social services currently provided by the camps, (thus reducing the cost to the state and donor agencies) but by integrating into the Somali economy, they will be able to make a positive contribution. If this can be achieved, the families who choose to settle will have a much greater chance of being accepted by their host communities, thus reducing the hostilities and resentments that now exist between local Somalis and refugees.

It is expected that many refugee families will be interested in leaving the camps to settle in Somalia, provided they can expect to make an adequate living in their new ventures. The skills, preferences and backgrounds of potential beneficiaries will be taken into account in designing agricultural and urban sub-project activities. However, the project can only meet its objectives if several conditions are met. These are:

- i) security of land tenure in the case of agriculturally-based settlements;
- ii) economic returns to refugee settlers equal or greater than present dependence on refugee rations and income-generating activities engaged in by refugee camp inhabitants;
- iii) refugee settlers continuing to receive some food rations during an initial period after leaving the camps, and
- iv) compensation being given to local communities whose land will be used for refugee agricultural settlement sites.

These are the critical conditions that must, along with criteria set forth, be assured if the project is to be socially and economically feasible, both from the point of view of potential settlers and the local communities who will be asked to accept settlers.

7.4. Administrative Analysis Summary

The funding source for refugee projects, Migration and Refugee Assistance, (MRA) is not encumbered with the special requirements found in the Foreign Assistance Act governing design and implementation of project activities. This fact allows for greater flexibility to experiment with different organizational and technical approaches that might not be attempted in a "normal" development project.

Another difference between the Refugee Settlement Project and traditional development assistance activities of USAID/Somalia lies in the mixture of the host government international agencies involved with refugee programs. The relief organizations (the NRC, Steering Committee and the UNHCR Branch Office in Somalia) are temporary agencies that will eventually fade out of the picture as refugee problems are solved. In most cases, development assistance projects work with traditional government ministries, not temporary agencies. The Refugee Settlement Project is designed to bridge a gap between development assistance and refugee projects and coordinate a program between temporary and permanent agencies.

The project will support the integration of relief and development assistance through the choice of the MOA as the Grant Implementing Partner. The MOA will, however, need some assistance in this task. The Project addresses this need by assigning a Project Coordinator to work with a counterpart in the MOA and providing support to the MOA to carry out project monitoring and management.

The project also seeks to maximize the involvement of the NRC in the policy development while limiting the necessity for their involvement in the day-to-day operational side of settlement projects. This is to be done by bringing the appropriate line ministries into sub-project design and implementation.

The organizational complex that this project will work in consists of the following agencies of the GSDR, U.N., U.S. Government and private organizations:

- Settlement Steering Committee (which includes UNHCR and UNDP)
- Ministry of Agriculture
- National Refugee Commission
- Technical Ministries and Agencies of the GSDR
- USAID
- Contractors and PVOs

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7.5. Environmental Considerations

An Initial Environmental Evaluation (IEE) was prepared for this project in 1984 and approved by the African Bureau Environmental Office on May 28, 1984. An Environmental Assessment (EA) was undertaken by a team from REDSO/EA, which determined that aspects of the review would have to be deferred until specific project activities had been identified. The assessment team prepared a set of guidelines for various types of activities to minimize adverse environmental effects and devised procedures for review of proposed sub-project activities.

When a particular sub-project or other activity has been proposed, the agency interested in implementing the activity must prepare an environmental review for the activity. The extensiveness of the review will depend on the nature of the activity being proposed for funding. The environmental review will include, at a minimum, an identification of the site selected, a completed checklist and matrix (if appropriate for the kind of activity being contemplated), an environmental statement submitted to the Regional Environmental Office (REO) prior to mission approval which states the principal sub-project activities, significant effects expected, alternatives and mitigating measures proposed, and the approximate date of completion of the review. When the final activity paper is drafted, the final design must include mitigating measures and arrangements acceptable to AID for periodic environmental monitoring. The environmental review must be completed and acceptable to AID prior to acceptance of the activity for AID funding. This acceptance will be a condition precedent to sub-obligation.

Where applicable, activities will be expected to conform with USAID environmental and engineering guidelines for small-scale activities, including guidelines prepared by the REO for water, sanitation, roads, and small-scale irrigation, and engineering guidelines for site selection, run-off, irrigation, water resources, roads, infrastructure, sanitation, and other related issues.

In any activity where the use and/or procurement of pesticides is contemplated, special guidelines prepared by the REO must be consulted.

7.6. Summary of Land Tenure Analysis

Whatever policy decision is reached regarding refugee settlement on the land will, of necessity, have to take into account both the legal statutes of land tenure and the customary practices of land use. These two systems are explained in Appendix D.1, which points out some of the discrepancies that arise in practice between customary views of land use and the officially-sanctioned and administered land tenure laws. Conflicts over land and the means by which these are resolved suggest that customary and legal systems of land tenure and land use have yet to be reconciled.

This lack of reconciliation has critical implications for implementation of any refugee settlement program, because past events have shown that refugees may be a particularly vulnerable group in such conflicts. Acquisition of secure claim to grazing or farm land may depend on one or more of the following factors: acknowledged membership in a local kin group; local political influence; ability to formally register land claims with the Ministry of Agriculture (this applies, however, only to farm land and not to

range land, with certain important exceptions); effective occupancy; and lastly, financial resources to exert influence. Refugees are thus at a disadvantage in obtaining secure access to land since they are not (in most cases) well-connected by means of kinship or political influence with local groups, they may not have many financial resources, they may not be informed about the process of land registration, they cannot claim effective occupancy and finally, they cannot appeal to traditional local leaders to intercede on their behalf.

Whether or not land is "available" for refugee settlement in particular areas depends in large measure on the successful reconciliation of the customary and civil systems of land tenure in each case. Land which is not already legally claimed through registration may be allocated for use by refugees, if appropriately negotiated through customary channels and subsequently endorsed by the civil law, i.e., by being registered with the Ministry of Agriculture. This procedure will need to be followed to avoid future conflicts over land tenure in which refugee settlers are most likely to be shortchanged. The real question is not whether "unused and available" land can be identified. It can safely be assumed that all productive land is being used by someone, sometimes, and that the present users will present claims to the land if a threat to future access is perceived. Rather, the question is whether certain areas of land intended to be more intensively used by refugee farmers can be obtained by offering something in return to those who currently use that land less intensively. This would appear to be the only equitable and practical solution, since current users are being asked to relinquish their use of a resource in order to permit new users to develop that resource for their own benefit.

Prior to obligation of the second tranche of funding for this project a mechanism for resolving land tenure and access issues must be worked out between AID and the GSDR. We anticipate that the mechanism will involve all parties and will to a great extent depend on the activity being proposed by the implementing agency. Clearly, the access and tenure issues for a rural dryland agricultural project will differ considerably from one which provides employment and services to settlers in an urban or semi-urban setting. All sub-project proposals will identify relevant land tenure issues and the mechanism proposed for resolving these issues. USAID and GSDR concurrence with the means of resolution will be required prior to sub-obligation.

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VIII. CONDITIONS AND COVENANTS

(A) Conditions to be met prior to subsequent obligation:

1. Agree on a mechanism for resolving land tenure issues, including the establishment of a policy and implementation mechanism which will ensure rights to the land for beneficiaries,
2. Agree on the criteria and method for selecting sub-project participants and agree on the responsibilities of all parties in the selection process, and
3. Identify land which is available for resettlement activities.

(B) Conditions Precedent to Disbursement.

1. Prior to initial disbursement of funds, and to the issuance by AID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i) A statement of the name of the person(s) holding or acting in the office of the Grantee specified as the authorized representative(s), and a specimen signature of each person specified in such statement.

(ii) A letter from the Ministry of Revenue confirming that personnel and commodities financed by AID under the Grant shall be exempt from all GSDR taxes and duties, including taxes on fuel purchased by Project funds.

(iii) A statement indicating that the GSP Committee has reviewed the annual local currency requirements for the Project and that such requirements will be included in the annual programming document.

2. Prior to disbursement under the Grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, for each Rapid Impact Project, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i) An approved RIP activity proposal, conforming to upon criteria for RIP activities, containing an environmental review acceptable to AID, and incorporating mitigating measures recommended in the environmental review.

3. Prior to disbursement under the Grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, for each settlement sub-project, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i) An approved sub-project proposal, conforming to agree upon criteria for sub-project activities, containing an environmental review acceptable to AID, and incorporating mitigating measures recommended in the environmental review.

(ii) Evidence that land tenure and access issues pertaining to the subject site have been resolved.

D) Covenants.

The Project Agreement shall contain covenants providing in substance as follows:

1. The Grantee agrees to convene periodic meetings of the Steering Committee.
2. The Grantee agrees to intercede on behalf of settlers to ensure enforcement of access to land and tenure rights by the settlers.

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Ministry of Foreign Affairs

3LA/81/ 732 /86

BEST AVAILABLE DOCUMENT 1216

Your Excellency,

I wish to refer to your letter dated April 1, 1986, addressed to our President and copied to the Minister of Foreign Affairs, concerning the proposed settlement project, and have the honour to inform you that our Ministry of Agriculture will be the implementing institution of this project.

I would further like to suggest that USAID works over the details of the project with the Ministry of Agriculture before it is submitted to the settlement steering committee and to the Government for final approval.

Accept, Your Excellency, the assurances of my highest consideration.

(Abdillahi Egal) (ur)
Permanent Secretary a.i.

H.E. Peter S. Bridges,
Ambassador
Embassy of the United States of America,
Moradishu

BEST AVAILABLE DOCUMENT



Jumhuuriyadda Dowladda Soomaalida
WASAARADDA BEEBAAHA
Xafiiska Wasiirka

Somali Dem. Republic
Ministry of Agriculture
The Office of the Minister
- «0» -

جمهورية الصومال الديمقراطية
وزارة الزراعة
مكتب الوزير

Handwritten notes and stamps in Arabic script, including "WASAARADDA BEEBAAHA" and "Xafiiska Wasiirka".

Ref : WB/XWA/e/7-3039
Mogadishu :
Subject :

Handwritten notes: "8/12/86", "WASAARADDA BEEBAAHA", "6/19/86".

Handwritten notes: "تدقيقه", "شروع".

ne 18, 1986

To: Louis A. Cohen
Director USAID
Mogadishu, Somalia

Subject: Refugee Settlement Project

Dear Mr. Cohen,

Ref to your letter dated April 24, 1986 concerning the Refugee Settlement Project, I here inform you that the Ministry of Agriculture approves the revised version of the Project Paper which takes our views into account, also I would like to inform you that our Ministry is ready to implement the project according to the Guidelines given in the project paper.

As you suggested in your letter I request you to go ahead the remaining formal procedures with the Ministry of Foreign Affairs, so that project commences as early as possible.

Sincerely yours,

Dr. Mohamoud Abdi Noor
Vice Minister of
Ministry of Agriculture
Mogadishu, Somalia

cc: Ministry of Foreign Affairs
Ministry of National Planning

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project
From FY 86 to FY 91
Total U.S. Funding \$4.0 millio
Date Prepared April 1986

Project Title and Number
Number _____

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION.	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objectives to which this project contributes:</p> <p>To resolve the refugee problem in Somalia, & thereby to decrease the burden of support on the GSDR and the donor</p>	<p>Measures of Goal</p> <p>All able-bodied refugees are settled in Somalia or have been repatriated. Camps contain only orphaned children and the infirm.</p>	<p>GSDR, ELU/CAPE, WFP, UNHCR Reports</p> <p>Project implementation reports</p> <p>USAID field surveys</p>	<p>Assumptions for goal targets:</p> <ul style="list-style-type: none"> -GSDR wants to resolve refugee problem -GSDR provides politi- support for this pro- ject and other settle- ment efforts -Repatriation to Ethiopia takes place. -Settlement project is successful and attracts sufficient additional funds from U.S. and other donors to settle all refugees who so wish

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Project Purpose:

To develop and implement viable pilot alternatives to refugee camps which enable refugees to become integrated, self-supporting residents of Somalia, to redirect governmental and donor assistance for refugees, and to provide information necessary for overall national planning of settlement activities.

Conditions that will indicate purpose has been achieved: End of project status.

- Refugees settled in integrated communities and making progress toward achieving self-sufficiency
- Food aid to refugee camps reduced
- Food aid to settlers being phased out
- Various types of income generating activities have been tried by sub-projects which lead to self-reliance of beneficiaries.

Assumption for achieving purpose:

As above
GSDR land grants to settlers

- GSDR provides political support for this project
- Major policy issues resolved settlement model; land availability and tenure; phasing out of care and maintenance; refugee choice and institutional arrangements
- Refugee wish to settle in Somalia
- Local communities willing to accept refugee settlement
- Donor community provides sufficient assistance

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<u>Outputs</u>	<u>Magnitude of Output</u>	<u>Means of Verification</u>	<u>Assumptions</u>
Established viable process whereby settlement activities are appraised, designed, implemented, monitored and evaluated.	GSDR has resources to design implement settlement activities.	Reports Field Surveys	GSDR and donors agree on policy dialogue.
Implementation of settlement activities	At least 3 RIPS completed At least 2 settlement sub-projects implemented 1,600 refugee families benefitting from participation in project activities.	Evaluation	-Land tenure issues resolved -Settler selection criteria agreed upon.
<u>Inputs</u>			
Technical Assistance Commodities Support costs	See Budget	GSDR budget expenditures reports. AID reports.	GSDR and AID agree on issues.

Appendix D.1

LAND TENURE ISSUES

1. Introduction

The purpose of this analysis is to clarify the implications of contemporary natural resource tenure systems for refugee settlement in Somalia. The resources with which it is concerned include arable land, water, and pasture. Access to these natural resources is governed by both traditional (local) and modern (national) institutions. On many points these old and new institutions contradict one another. Conflicts generated by individual and group competition for access to resources and by these institutional contradictions are resolved through a highly politicized process of mediation and negotiation within the administration, rather than by reference to custom or to law alone. Patterns of resource acquisition and accumulation and the ways they change in response to altering economic, political and demographic conditions must be understood in terms of these processes. The scope of analysis is thus unusually broad.

Information about resource tenure in contemporary Somalia is difficult to obtain. There has been no cadastral survey. The land registration process lacks integrity and records are unreliable. Few in-depth micro studies have been carried out in Somalia in comparison with other African nations and fewer still deal with resource tenure. Older Italian studies are useful but dated.

Gathering information about local tenure systems is difficult because it is illegal for Somalis to discuss their traditional clan organization on which these systems rest. Information about the process of land registration is sensitive because it is a political process, involving influential individuals and powerful interest groups, which does not always conform with law, policy or ideology.

This report is based on a review of the available literature and interviews with government officials, social scientists, members of the foreign assistance community, and private citizens. Because of the time constraints it was not possible to cover all sources of information or all issues evenly. If further work is carried out on land tenure problems in Somalia it will be necessary to further clarify the role of the Ministry of Interior, the Cooperatives Bureau, and the Ministry of Justice. Most importantly, there is an urgent need

for interviews with district commissioners, regional governors, agricultural coordinators, and farmers.

In view of the above this analysis should be viewed as a preliminary attempt to identify resource tenure issues as they are likely to affect the course of rural development and in particular, refugee settlement in Somalia. Further clarification of these issues is needed if planners are to take realistic account of the way interest in land and water shape the incentives and investments of individuals and groups.

2. De facto and De Jure Institutions Governing Land Tenure

(a) Customary Land Tenure Systems (1)

Somali pastoral production systems are based on the exploitation of widely scattered, sporadic pastures and access to natural and man-made water sources. These resources are utilized by kin-based households and closely related clusters of households. These "extended family" groups exploit their ephemeral pasture and water resources and minimize subsistence risk by dividing their herds of camels, sheep, and goats into several management units. Each unit is entrusted to individuals or small groups and is grazed and watered according to its species-specific requirements and the geographic availability of pasture, browse and water.

Extended families enjoy access to the natural resources they require by virtue of their membership in shallow patrilineal lineages which, in turn, are united with territorially adjacent lineages by written contract (heer). The corporation of associated lineages thus formed, referred to in the ethnographic literature as a dia-paying group, may comprise from 200 to 5,000 or more men. The dia-paying group is no longer sanctioned by civil law but nevertheless continues to function in rural areas.

Larger, territorially affiliated, political groups comprising perhaps 100,000 people are formed by contractual alliances between adjacent dia-paying groups. Intergroup relationships within and between these alliances are conceptualized in terms of patrilineal descent. This complex is usually referred to as the clan system. At the highest level six clan families are recognized.

The dia-paying group has several functions. The contract establishes the way the burden of paying compensation for homicide committed by a group member is distributed. The group also serves as a mutual aid mechanism in time of emergency. Under the guidance of the council of elders who govern it, the group can establish regulations and apply forceful sanctions if

they are broken. From the perspective of this analysis the significance of the dia-paying group is that it was, and to some extent still is, the group that guarantees security and protects property for the individual.

While access to pasture is essential, access to range water is critical and along with labor, is the limiting factor in livestock production. Hence it is not surprising that, although political alliances were associated with particular territories, access to pastureland was -- in principle -- open to all Somalis. Watering points in the form of hand dug wells, by contrast, "belong" to the men who construct and maintain them. The situation is more complex than this statement would imply, for a lineage's ownership or primary rights of access are not necessarily recognized by other groups. As Kaplan, relying on Lewis, succinctly notes:

There is a good deal of disagreement of the possession of the water sources, which are essential to the survival of the flocks. It has always been necessary for a lineage to be able to support its claims with real or potential force. Relations between groups and individuals are therefore suffused with the notion of relative power, defined largely in martial terms.

Armed conflict would probably have been constant if it had not been for the existence of dia-paying groups, which made peaceful settling of disputes possible in a competitive environment '23.

Somalia's agro-pastoral production system is based on similar principles of land tenure, practiced mainly in the interriverine area between the Juba and Shabelle rivers. In these areas, the farming members of kin groups live in permanent hamlets close to the land with the highest potential for cultivation '23.

Access to pastureland on the open range is available to all households. Wells and reservoirs (waraq), which are more critical than pasture, are owned by the individual, family, or group that constructs and maintains them. Herd owners can obtain the right to water their stock on a set schedule through an agreement with the well owner which establishes the rate of payment according to the kinds and number of livestock involved. Access to wells can also be secured through agreements that give the well owner seasonal access to the herd-owner's farmland stubble for his own livestock.

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A household's access to arable land in a particular locality may be held by virtue of its affiliation with the local lineage, of its dia-paying group. These groups thus constitute a kind of corporation in which all members are shareholders, while the chiefs and elders serve as officers. Every clan member, in principle, has the right to cultivate some land, provided he fulfills his clan obligations. He is not, however, guaranteed access to an equal share of land in terms of either quality or location. Individuals hold demarcated parcels of land or fields. These individually held plots are inherited through the male line, though they may be worked jointly by the heirs.

But access to arable land can also be obtained more directly. There is mounting evidence to indicate that, although in theory illegal, arable land is increasingly being bought and sold in this interriverine area.

In the past, uncleared land with arable potential does not appear to have been scarce. Transfers of this type of land between clansmen seem to have been permissible. Land transfers to outsiders were permitted only if they were willing to become subordinate clients to the owning clan. Today sales of uncleared land are also increasing on a basis that is not clear.

Access to village wells and reservoirs is open to households that agree to contribute to their construction and maintenance. Each water users' association has a water committee, responsible for regulating water use and establishing a maintenance schedule. The committee also appoints water guards who enforce the rules and make sure that only association members use the water when it is scarce.

Formerly the clan-based system of dia-paying groups provided the widest framework for resource control and management. As in purely pastoral areas, individual households and extended families in agricultural areas had rights of access to pasture, arable land and natural water sources by virtue of their membership in, or contractual arrangement with, a corporate dia-paying group. Their ability to exercise these rights was contingent on their acceptance of the obligations of membership, of which the most important were the following: the obligation to participate in collective responsibility and blood payments for killing, the defense of the group's resources against other groups, and the contribution of labor to develop and maintain the group's dry season water ponds and wells. It is not clear to what extent the clan system is still intact.

(b) The Land Tenure Law of 1975

The legal basis of land tenure in Somalia today is Law No. 73 of 1975, as interpreted in the Interpretation of Law No. 73: Agricultural Farms of October 16, 1976. The law, in keeping with the constitution, declares that all land is owned by the state and that the MOA has the responsibility for the administration of the land. In this capacity, the ministry has the authority to issue leases to cooperatives, state farms, private agencies, local governments, and private farmers. With the exception of cooperatives, all land owned prior to 1969 was supposed to be re-registered within six months.

Individual persons or families can register only one piece of land and their leases are for 50 years but are renewable. (Originally the lease was for only 10 years). In the case of cooperatives, state farms, independent agencies and local governments, however, leases are for an indefinite period.

Private holdings are limited to 30 hectares of irrigated or 60 hectares of non-irrigated land. Private banana plantations may extend up to 100 hectares. Land in excess of this limit is to be nationalized after two years. The holdings of cooperatives, state farms, and private and public companies, however, are not subject to such limitations. At the discretion of the MOA they can be considerably larger.

The private leaseholder has the right to cultivate the land, build on it, keep livestock, receive extension services, get credit from state banks equivalent to the value of the land, and transfer profits to foreign banks if the State Bank gives permission. In addition, the leaseholder must develop the land within two years and pay taxes or the land will be confiscated and returned to the state. Most importantly, the leaseholder may not sell, rent, or subdivide the land or break any condition of the lease on penalty of losing it. The lease may be inherited by close kinsmen, provided that they notify the registry and cultivate the land.

Other sections of the interpretation establish a schedule of land taxation, conditions under which private and national companies can obtain land, conditions under which land can be nationalized and re-distributed, and the process to be followed in registering land.

Perhaps the most striking feature of the Land Tenure Law is that it gives no recognition whatsoever to customary rules and procedures or to the indigenous institutions that still largely govern access to land and pasture. Pastoralists in particular are given no tenurial rights despite the fact that they

constitute 60 percent of the population and generate nearly 90 percent of exports.

The provision that land revert to the state if uncultivated for more than two years reveals a policy bias towards permanent cultivation and, in the case of previously uncleared land, towards mechanization since there is an endemic shortage of agricultural labor in Somalia. Furthermore, the law reveals an explicit bias against open range pastoralism in favor of permanent settlement of land. In effect, the pasture rights of the nomads conflict with the government policy of registering farm land for settled agriculture.

The law also favors cooperatives, state farms, parastatals and corporate agricultural enterprises over private individuals, in terms of the size of holdings permitted, the length of lease granted, and access to machinery and credit.

Finally, it is evident in light of other countries' experience with land reform that insufficient attention has been given to the problems of registration. Land registration is difficult at best. In the case of Somalia, where most land has been neither surveyed nor registered, the task is staggering. Yet the MOA was assigned the tasks of registration and land administration, with little attention to how these tasks might be carried out. The responsibilities assigned to the district level representative of the ministry were particularly problematic for it is at this level that the conflict-between the new law and traditional tenure must be resolved.

(c) The Process of Land Registration

Under the authority given to it, the MOA has established formal procedures for registering land. These are the same regardless of whether the lease is being sought by a farmer who already cultivates the land by traditional right or someone seeking to obtain "unused" land.

According to the procedures the applicant must first file his application for a lease with the District Agricultural Coordinator (DAC). The DAC, together with someone from the district police, should go and view the land, measure it, determine whose lands adjoin it, and find out from the community elders and headman whether anyone other than the applicant claims the land.

The DAC then prepares copies of a notice to be posted at four different places: in the village where the land is located, at the district police station, at the district governor's office, and at the DAC's own office. If no objections are lodged

during a 30 day period, the DAC prepares four copies of the layout of the land as well as the accompanying documents. These must be circulated to the police superintendent and the district commissioner, each of whom must review them and prepare an endorsement of concurrence, which is then added to the file. Needless to say, this procedure discriminates heavily against those who are either illiterate, nomadic, or both.

The DAC files one set of documents and forwards the other three sets to the Regional Agricultural Coordinator (RAC). The latter checks with other regional authorities to make sure that there are no conflicting plans for the use of the land, registers the application, keeps one set and sends the others to the MOA in Mogadishu. There the process is repeated once again to check for conflicting claims for the use of the land. If all is well, the Director of Lands checks the papers, signs them and forwards them for approval to the minister himself. The signed original lease is returned to the successful applicant who must develop the land within two years. The ministry keeps the application file and maintains a list by district showing the name of the lessor and the amount, location and classification of the land. There is, however, no land map and no way of knowing how much land in a particular district has been leased.

In practice, there have been many problems in carrying out land registration. DAC's are poorly trained for their exacting work. The complex and time-consuming procedures required by registration are often bypassed and leases are issued on the basis of a "desk-top" survey instead of a field investigation. It is generally accepted that personal connections and unofficial gratuities are essential for obtaining a lease.

Government officials say that manipulation of the registration process by traditional community leaders and merchants is commonplace. The land of families and larger groups is often registered under the name of an individual member who understands the procedures or has the right connections. "Ghost" cooperatives are registered by individuals or groups, in the hope of obtaining government assistance in clearing and cultivating the land. In some regions it is common for individuals, or even whole villages, to file a lease application and pay the annual fees, while hoping to secure their traditional rights without having to complete the costly process of obtaining a lease from the MOA in Mogadishu.

It is also generally believed that merchants and government officials are well placed for obtaining leases to tracts of uncultivated land, despite the fact that such land is often

held by local kin groups who may use it for pasture or occasional cultivation.

Following the recent liberalization of economic policies, there has been a boom in "land banking" by the influential and the well connected, often through the formation of private companies which are not subject to limitations in size. This process is apparently proceeding most rapidly in two areas: (1) where mechanized agriculture has become profitable, and (2) where major development initiatives have been slated. Such areas include the land around Hargeisa, the hinterland of Mogadishu, and much of the Lower Shabelle Region.

This lack of integrity in the land registration process poses a number of problems for settling refugees in Somalia. The clear policy objective of preventing the concentration of private ownership of undeveloped land is being defeated. The MOA is not equipped to prevent people from registering more than one block of land in different names or through various corporate or cooperative entities. Nor has it been able to enforce the requirement that new land be brought into cultivation within two years, nor to prevent a vigorous and speculative land market from developing -- despite the prohibition on land sales. At the same time the system creates strong pressures on public officials to divert equipment and agricultural services to the development of private land.

The lack of adequate land records presents difficulties for land use planning and generates conflicts which inhibit project implementation and rural development. In the absence of a cadastral survey and the adequate assessment of land potential, government officials have no way of knowing how much land has been registered, or what portion of the cultivated or arable land available it represents. Nor has it proven possible to avoid overlapping and duplicate claims to land, which often give rise to serious conflict. It is essential to understand the process by which these conflicting claims are resolved.

(d) The Resolution of Land Disputes

The resolution of land disputes involves the consideration of a range of substantive issues rather than a narrow focus on the formal principles of the law. As such it entails mediation and negotiation rather than adjudication. Included among the issues are not only traditional notions of equity but also an assessment of the relative political influence of the interested parties.

If a conflict cannot be resolved by means of a directive from the DAC, the district commissioner or the police superintendent, a government hearing is held. In disputes

which do not involve pastoralists, the proceedings are conducted by the district commissioner, the DAC, the police superintendent and the local head of security. A representative of the MOA may also participate, particularly if the dispute has previously proven intractable. If the dispute involves pastoralists, the judge is included as well. Because of the ephemeral development of district government in some regions, hearings may be undertaken at the regional level under the chairship of the governor.

The hearing is said to be open and democratic in that all parties can express their views. The idiom of public discourse conforms both to the law and to customary administrative procedures. Cultivators base their claims on "use" and evidence of registration, rather than on traditional claims.

At the conclusion of the hearing the officials announce their decision which may support the claims of one party, suggest a compromise, direct government technicians to carry out investigations, or even order them to provide services to one party in return for his relinquishing part of his claim. This last strategy is exemplified by the practice of asking local farmers to give up their claims to undeveloped land which an outsider wishes to exploit. In return, they will be given free assistance in clearing and cultivating more of their remaining land.

The board's decision is not binding unless acceptable to both parties, for they can appeal their case to the governor, to the MOA, to the minister himself and only after that to the court in Mogadishu. Appeals are not without cost, however, which creates increasing pressure to compromise. If the case entails the loss of land to outside projects such as refugee settlement, the villagers may simply continue to prevent the outsiders from using the land by show of force. If it involves an influential claimant, he may try to overturn the decision of the board by presenting his claim to higher officials.

The resolution of a land dispute may thus involve a series of public hearings and behind-the-scenes negotiations held over a period of a year or more. During this process the parties and government officials can assess each other's political and economic resources, and reach a "realistic" settlement. This process of dispute settlement is not without precedent in traditional Somali political life. The outcomes of land disputes thus cannot be anticipated or understood in terms of the formal attributes of the law. Nor will better "enforcement" of existing law reduce the level of ambiguity and conflict.

It must be realized that the process of land allocation and

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accumulation in Somalia is a political process, and that development assistance introduces new resources into the areas in which it occurs. The way in which assistance is introduced will have a direct effect on the ability of competing interest groups to obtain and maintain access to land and other essential resources. This is particularly important when the interests of comparatively weak social groups such as refugees and riverine village communities are concerned. It is essential that projects affecting such groups give them the knowledge and the means to enjoy the rights which they are guaranteed by law.

3. Land Tenure Issues In The Settlement of Refugees

In order to foster self reliance and food production for the war refugees of 1977-1978, the government has established more than 50 farms near the refugee camps. Twenty-seven of these occupy land originally cleared by the Russians and later turned into police farms. Perhaps two dozen smaller farms were started on unused land. Other farms have been settled spontaneously and some of these have received assistance from the MOA's Refugee Agricultural Unit (RAU) and the PVO's.

While some of these refugee farms have operated without incident, the land tenure problems that have occurred on others are instructive. The following cases, which were gathered through interviews in Mogadishu, are undoubtedly incomplete and almost certainly are in error on some points. Nevertheless, they illustrate the process of settling land disputes and many of the problems entailed in refugee settlement.

The first case took place near one of the camps at Belet Weyn in Hiran Region. It illustrates the transactional, bargaining character of land disputes and the way that local farmers try, in this case with success, to protect their traditional rights no longer recognized by law.

In the summer of 1982 an expatriate PVO came to work in the camp with the objective of starting a refugee farm in the area. The PVO identified a suitable piece of land and secured a lease from the MOA. When the refugees selected tried to start clearing the land, however, they were driven off by an angry group of farmers from a nearby community. The police were notified and they, in turn, told the villagers that the refugee group had a valid title to the land in question. The villagers remained intransigent and the refugees remained landless. The governor and the RAC also appealed to the villagers, but all to no avail.

Eventually, at the request of the PVO, the governor organized a hearing which included the district commissioner, the mayor of Belet Weyn, the RAC, the head of security, and an elder from a village not directly involved in the dispute. The members of the panel went by Land Rover to view the land and continued on

to the village in question to conduct an open hearing under a tree. The villagers staked their claim on the dubious assertion that they had cultivated the land within the past two years, rather than by citing clan rights.

The panel of officials decided that the land should go to the refugees. The villagers protested loudly and were told by the governor that police would be sent if they interfered with the refugees and their land again. Nevertheless, when the refugees tried once again to clear the land they were forced off by an angry group of armed farmers. The governor was not in a position to take further action and he is reported to have changed his position and sided with the villagers.

Almost a year after coming to the camp, the representative of the PVO prevailed upon the MOA and the RAU to join with regional and district officials in yet another visit to the village. Again the case was decided in favor of the refugees and again the villagers prevented the refugees from clearing the land.

In the end the governor offered the PVO two alternative sites, neither of which seemed suitable for cultivation. A year and a half after coming to the region, the PVO abandoned the project altogether. By that time the villagers had produced a certificate of their own for the land, which they had obtained from the cooperative department. It bore a later date than the refugees' lease.

A similar case occurred near Afgoi. Eight educated, urban refugee males of diverse ethnic backgrounds persuaded the RAU and a PVO to help them start a pilot agricultural project. A lease for 100 hectares of apparently undeveloped land was obtained and, after considerable effort, equipment and agricultural inputs were mobilized to help the refugees develop their farm.

When the PVO representative and the refugees went to plan the work of clearing the land, they were confronted by an angry group of men armed with sticks and knives. A fight broke out but no one was injured. The leader of the group shouted that they were trying to take his grandfather's land. The intruders beat a prudent retreat and notified the police who looked into the case and ordered the villagers to honor the refugees' lease as the villagers had none.

Shortly after these events the refugees returned with a bulldozer provided by their helpers. Again an angry group of men descended on them, this time threatening to kill the refugees and the bulldozer operator as well! A RAU official

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went to talk to the aggrieved parties, but the case has not yet been resolved.

A third case, which occurred at another camp at Belet Weyn, resulted in a mediated compromise. The difficulty began when a PVO found that the land it thought had been promised for a tree nursery was not available. The governor resolved the problem by directing them to another block of land. When the PVO tried to use it, however, it was prevented by villagers who said it was their pastureland. Through the mediation of the governor, it was agreed that the PVO would settle for less than the 250 hectares to which it was entitled as well as provide employment to the villagers in the nursery. It remains to be determined who will control the trees and the profits from their sale.

Three cases from another region illuminate the role of personal influence in determining outcomes and the vulnerability of refugees, particularly if they are not Somali. The region in question and many details have been omitted for reasons that should be evident.

In the first case an official with great personal influence obtained a lease for a block of over 200 hectares of high-potential land, located near a source of water suitable for pump irrigation. Removed from office under a cloud, he was appointed to an equally influential post in the same region. With the assistance of government inputs and refugee tenants, the land is presently being worked as an irrigated farm.

In the second case an official, who was a friend of the official in the previous case, obtained a lease to a high-potential piece of land, which had already been leased to refugees but not yet cleared. The refugees refused to recognize the claim. The claimant's influential friend immediately appealed to the ministry, while the PVO representing the refugees' interests did exactly the same. And there matters rest for the present.

The third case involved one of eight spontaneous refugee settlements on the Juba river. These communities were assisted in obtaining leases to their land and irrigation pumps by a PVO and the RAU. One of the communities is inhabited by members of the Oromo ethnic group, a group of cultivators with a tradition of animosity towards the Somalis. Perhaps because of their apparent vulnerability, a man of moderate influence obtained a lease for the land occupied by this group and ordered them to leave it. They are said to have responded by threatening to throw him in the river. In any case, the matter has escalated

to the ministerial level, once again with the PVO supporting the cause of the refugees against the claimant.

4. Conclusions and Recommendations

The belief that there is abundant unused land suitable for crop production in Somalia should be viewed with caution. Presently accepted figures are based on crude surveys and estimates which have become enshrined in planning documents through endless repetition. Closer examination in the Bay Region, for example, has revealed great local variation in soil quality and rainfall. Moreover, high-potential land is not of value without water for human and animal consumption. Indeed water is the limiting factor in land exploitation in much of the interriverine area where cultivation is possible. In Somalia's harsh and variable climatic conditions, average rainfall and river levels are misleading. Avoiding risks of crop failure and drought through storage and geographic mobility are of paramount concern to cultivators. These risks must be taken into account in planning refugee settlement.

These constraints on settling new lands can undoubtedly be overcome through careful studies, the provision of water and construction of roads. While all these activities are costly, the basic question is not one of cost. Rather it is the extent to which there is, in fact, suitable land available for refugee settlement. The scattered evidence to date indicates that when suitable land appears to be available, there are invariably potential claimants lurking on the sidelines, many of whom may have quite legitimate claims to the land in question. If such land is indeed available, then mechanisms must be established to defend the claims made by refugees, when such claims are legitimate.

Bearing this in mind, how feasible is the settlement of refugees in inhabited areas? Is there unused high potential land in these areas which is not already claimed by local inhabitants?

It can be taken as axiomatic that Somali agro-pastoralists and full-time cultivators have accumulated a detailed knowledge of their local environment and its resource potential. They have occupied the lands best suited to their needs, given the current ecological conditions, technological limitations and economic incentives. It is unlikely that there are large amounts of high-potential land that can be brought under cultivation with traditional technologies. Windshield surveys have proven misleading on this point in the past (4).

There are no lands in Somalia where pastoralists or cultivators do not already have long-established rights. It is evident from the cases cited earlier that, although the law does not recognize these rights, local people are prepared to defend them with vigor. It is also evident that district and regional governments must give de facto though not de jure recognition to these claims. The degree of recognition varies with the strength of the traditional group in question. Marginal groups such as refugees fare less well in the dispute-resolution process.

FOOTNOTES

1. Portions of this section have been incorporated from A. Hoben et al. Somalia: A Social and Institutional Profile. A report prepared for USAID. Boston: African Studies Center, Boston University, 1983, Chapter 5.
2. I. Kaplan et al., Area Handbook for Somalia. Washington, D.C.: U.S. Government Printing Office, 1977, p. 66.
3. Hunting Technical Services, Ltd. Bay Region Agricultural Development Project: Final Report. Borehamwood, England: HTS, 1982.
4. A. Hoben et al., op. cit., Chapter 5.

Appendix D.2

ECONOMIC ANALYSIS

A. A Note on Methodology

Although the Project Paper contains a number of illustrative activities which might be undertaken as sub-activities under the project, it is still too soon to begin to analyze their potential benefits. Accordingly, the approach taken here is one of comparing the cost of resettling the refugees in a facilitated spontaneous manner with the cost of maintaining them in camps into the future. Twenty years has been selected as the time frame for the analysis as most of the costs occur in the early years and the opportunity cost of capital is high.

B. Costs of Maintaining Refugees in Camps

To measure the benefits associated with integrating refugees into the Somali economy through the Refugee Settlement Project, it is necessary to have some idea of the current cost of maintaining the refugees in camps. These costs are estimated for a typical year in Table I. It is to be noted that these costs are for maintenance and social services only, with no rehabilitation or development activities included. As can be seen in the table, these "survival" costs range from a total of \$60 million to \$50 million (when the costs of certain inputs are shadow priced).

The annual per-capita cost depends, however, on the number of refugees assumed to be in the camps. While the number of refugees estimated to be in the camps ranges as high as 700,000 people, it is generally felt that a more realistic estimate is 400-500 thousand. On this basis, the annual per-capita costs of refugees maintenance ranges from \$149.44 to \$100.85.

Table II makes use of these annual per-capita costs to estimate the present value of the total cost over twenty years of continuing to maintain in camps the 34,500 individuals (6,900 families) which will be resettled under the Refugee Settlement Project. In order to consider a range of capital opportunity costs, discount rates of 10, 15 and 20 percent are used. On this basis, the present value of potential gross savings resulting from resettlement range from a low of \$16.9 million (34,500 individuals - shadow exchange rate - 20 percent discount rate) to a high of 43.9 million

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(34,500 individuals, official exchange rate - 10 percent discount rate).

C. Cost of the Project

Table III sets forth the cost of the Refugee Settlement Project on the assumption that 34,500 individual refugees are reached by the illustrative sub-activities. It includes contingency allowances of 20% for USAID costs and for the cost of GSDR and other donor-provided social services and personnel. No contingency costs are estimated for food rations - phased out over the initial five years of the project - as it is felt that a sufficient range of possibilities are introduced by the uncertainty as to how many individuals are actually in the camps. Total food costs for the project beneficiaries are computed on the assumption that typical annual cost for food, transport and logistics (see Table I) may be feeding 400,000, 450,000 or 500,000 people. A similar set of assumptions is made with respect to social services (Health, Education and Community Development), though a contingency allowance is included ^{1/}.

It should be noted that shadow prices are not calculated on any of the project costs. Until the project becomes more defined at the sub-activity level, it is impossible to determine what portion of the costs should be shadow priced ^{2/}. Such shadow pricing should, of course, be undertaken when the various sub-activities are developed in more detail and an economic analysis of them is undertaken.

Table IV is largely self-explanatory. Data has been taken from Table III and various cost streams have been developed over twenty years under certain assumptions. These have been discounted (converted into present values) at various rates of interest.

^{1/}-----
^{1/} 1983 costs were adjusted where certain items were felt to be typical.

^{2/} Accordingly, it was not possible to compare shadow priced costs of maintaining the refugees in camps with the shadow priced costs of resettlement. Shadow priced costs of maintaining the refugees in camps are shown in Tables I and II for informational purposes however.

D. Net Savings Achieved by the Project

Table V shows the net savings to be achieved by settling the refugees. It is clear that considerable savings can be achieved, particularly at realistic opportunity costs for capital i.e. 15 percent. The 20 percent discount rate was included not as a realistic rate but rather as a sensitivity test to see how high a rate the project could stand. If costs can be contained such that the use of contingency funds can be held to a minimum, savings will be even greater.

In addition to the savings achieved, the Refugee Settlement Project will produce economic benefits (increased production, import savings and a reduced burden on the GSDR and Donor Community) which, though unquantifiable at present, are certain to be significant. To these must be added as well the social, political and intangible economic benefits which will redound to the refugees - and to Somali society - as a result of their self-reliance.

On an economic basis the Refugee Settlement Project appears to be reasonably sound. It is to be stressed, however, that this result depends upon a number of critical assumptions and conditions. The GSDR must be willing to accept a low-cost, facilitated/spontaneous settlement model as opposed to the high-cost, comprehensive approaches it has favored in the past. Sufficient land of suitable quality must be identified and the tenure of the refugee settlers assured. An appropriate institutional framework for implementing the project must be agreed to as well. Lastly the wishes of the refugees themselves regarding settlement must be ascertained and appropriate reinforcement provided to aid their choice (i.e. a reduced level of care and maintenance in the camps coupled with economic opportunities elsewhere). Failure to achieve one or more of these assumptions and conditions could impact critically upon the economic viability of the project.

The importance of a low-cost, facilitated/spontaneous approach to cost-effective settlement is highlighted when one considers the Furjano Refugee Settlement Project. This project, being considered for financing by the UNHCR, represents a highly comprehensive capital and management intensive approach to resettlement. It would settle 360 refugee families (2,800 individuals) on 7,088 hectares of land at a cost of \$6,040,000. This total cost includes technical assistance, capital equipment, housing, health center and school construction, support for local staff and other recurrent expenditures over the first four years of the project. No allowance is included for feeding the refugees

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during their resettlement or for recurrent costs beyond the first four years of the project. Even so, assuming five persons per family, it would cost \$2,157 per settler (undiscounted) and \$2,013 per settler if the cost stream is discounted at 15 percent. This compares with the more inclusive per-capita costs for the herein proposed AID project of \$846 (undiscounted) and \$527 (discounted) for twenty years^{1/}. Alternatively, at a cost of \$132.84 each year the refugees could be kept in camps for twenty years for a present value cost of \$2,328,171 (discounting at 15 percent) against a present value cost of the Furjano project (again discounting at 15 percent) of \$5,637,000.

E. Criteria for the Economic Analysis of Sub-Projects

The economic analysis is very general, providing a rough estimate of the savings to be achieved by integrating refugees into the Somali economy as opposed to continuing their maintenance in the camps.

Once sub-projects are designed, they will be subjected to an economic analysis prior to their approval by USAID/Somalia. The nature of the economic analysis will, however, depend upon the type of activities envisioned under the sub-project. For those involving small enterprise development and/or potential increases in agricultural production, a quantitative Cost-Benefit, Net Present Value, or Internal Rate of Return approach will be required. For those involving training, social services or institutional development a more qualitative, cost-effectiveness type of analysis will be appropriate. In all cases, USAID/Somalia's Program Economist should review the analysis to make sure that it is appropriate for the types of activities contemplated under the sub-project and that the sub-project is adequately justified in terms of its own economics and in terms of the overall economic climate prevailing in the country.

It must be remembered that the refugee population which forms the target group of this project is currently consuming large amounts of valuable resources while languishing unproductively in the camps. This large and unproductive consumption of resources introduces the possibility of a case of loss minimization. Simply put some sub-projects may have costs in excess of projected financial benefits and still be justified

^{1/}Based on column B of Table IV in total and discounted at 15 percent.

in that they lead to self-sufficient refugees at a cost less than that of continuing their dependant status in the camps. While it is not too likely that such projects will be encountered, as project designers should actively seek activities with favorable cost/benefit relationships, it should not be discounted or ignored when sub-projects are considered.

TABLE 1
ANNUAL REFUGEE MAINTENANCE COSTS
(000's of U.S. Dollars)

	At Official Exchange Rates	At Shadow Exchange Rates 1/
Donor Food Aid (of which U.S.)	33,598.3 (6,720.0)	33,598.3 (6,720.0)
UNHCR Non-Food Aid	25,965.0	16,738.1
(Water)	(1,819.0)	(385.3)
(Health)	(3,000.0)	(965.6)
(Shelter & Domestic Needs)	(2,200.0)	(708.1)
(Transport and Logistics)		(12,390.0)
(12,390.0)		
(Communal Construction)	(1,500.0)	(482.8)
(Education and Com. Development)	(1,833.0)	(390.0)
(NRC Budget Support)	(1,935.0)	(622.8)
(UNHCR Operations Budget)	(1,284.0)	(413.3)
USAID - Refugee Self Reliance Input to NRC	700.0	64.4
USAID - Commodity Import Local Currency Input to NRC	16.9	5.4
 Total Maintenance Cost	 59,776.2	 50,426.2
Annual Dollar Per-Capita Cost 400,000 Refugees	149.44	126.07
Annual Dollar Per-Capita Cost 450,000 Refugees	132.84	112.6
Annual Dollar Per-Capita Cost 500,000 Refugees	119.55	100.85

NOTES

Source: Office of the Refugee Coordinator, American Embassy, Mogadishu.

1/ Official Rate 25.75 Somali Shillings = \$1.00
Shadow (Black Market) Rate 80.00 Somali Shillings = \$1.00
Shadow priced column assumes that, with the exception of transport logistics - largely petroleum, all donor non-food resource inputs are spent on local commodities. As this is unlikely to be totally the case some of the resources are undoubtedly spent on imports though it is impossible to know the proportion. The column total represents the lowest possible estimate of the total cost. The real cost figure thus lies somewhere between \$50 and 60 million.

PRESENT VALUE OF ANNUAL CAMP MAINTENANCE COSTS
OVER TWENTY YEARS FOR FAMILIES PROPOSED FOR
RESETTLEMENT UNDER THE REFUGEES SETTLEMENT PROJECT
(000's of US Dollars) 1/

14,500 Individuals
6,900 Families

	<u>At Official Exchange Rates</u>	<u>At Shadow Exchange Rates</u>
<u>400,000 Camps Population</u>		
Annual Cost over 20 years Discounted at 10 Per cent	43,893.20	37,029.00
Annual Cost over 20 years Discounted at 15 Per cent	32,271.10	27,224.40
Annual Cost over 20 years Discounted at 20 Per cent	23,106.00	21,179.00
<u>450,000 Camp Population</u>		
Annual Cost over 20 years Discounted at 10 Per cent	39,107.50	32,914.00
Annual Cost over 20 years Discounted at 15 Per cent	28,686.40	24,199.00
Annual Cost over 20 years Discounted at 20 Per cent	22,317.20	18,826.10
<u>300,000 Camp Population</u>		
Annual Cost over 20 years Discounted at 10 Per cent	35,114.00	29,612.50
Annual Cost over 20 years Discounted at 15 Per cent	25,816.50	21,778.30
Annual Cost over 20 years Discounted at 20 Per cent	20,084.50	16,942.90

1/ Annual Per Capita Costs from Table I x 14,500 individuals over 20 years discounted at 10, 15 and 20 per cent.

TABLE III
Refugee Settlement Project Costs
(000's US Dollars)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Project Design	External Evaluation	Surveys	Surveys	Socio/Economic Assessments (RAPID)	AID Settlement Costs	AID Contingency	400,000 Level CSDR Social Services & Personnel Costs Basic Contingency	450,000 Level CSDR Social Services & Personnel Costs Basic Contingency	500,000 Level CSDR Social Services & Personnel Costs Basic Contingency	400,000 Level Food Costs	450,000 Level Food Costs	500,000 Level Food Costs			
Y0	300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Y1	-	-	467	424	122	2,875	778	432	86	402	80	372	74	3,507	3,117	2,805
Y2	-	60	333	-	-	2,813	642	432	86	402	80	372	74	3,564	3,168	2,851
Y3	-	-	508	-	-	1,303	362	432	86	402	80	372	74	1,840	1,635	1,472
Y4	-	60	333	-	-	1,303	339	432	86	402	80	372	74	977	869	782
	-	-	480	-	-	883	273	432	86	402	80	372	74	115	102	99
	-	-	-	-	-	-	-	432	86	402	80	372	74	-	-	-

- 1) All Contingency Costs estimated at 20 per cent.
- 2) Columns 8, 10 and 12 computed by adding Health and Education Community Development Costs from Table I, Column One divided by 400, 500 and 500 thousand times 30,000 individuals plus \$72,000 in Personnel Costs.
- 3) Food Costs: Food and Transport and Logistics Costs from Table I Column One were divided by 400, 450 and 500 thousand to get per capita costs of \$114.97, \$102.20 and \$91.98 per year respectively. It was then assumed that 30,500 individuals will be on full rations in Year One, 31,000 on full rations in Year Two, 30,000 on half rations and 1,000 on full rations in Year Three, 30,000 on quarter rations and one thousand on full rations in Year Four and 1,000 on full rations in Year

Alternative Cost Streams
Under Various Assumptions
(000's of US Dollars)

	Total Cost Less Contingency 400,000 Level Columns 1-6, 8 14 of Table III	Total Cost Less Contingency 450,000 Level Columns 1-6, 10 15 of Table III	Total Cost Less Contingency 500,000 Level Columns 1-6, 12 16 of Table III	Total Cost With Contingency 400,000 Level Column A plus Columns 7, 9, of Table III	Total Cost With Contingency 450,000 Level Column B plus Columns 7, 11 of Table III	Total Cost With Contingency 500,000 Level Column C plus Columns 7, 11 Table III
Y0	300	300	300	300	300	300
Y1	7,827	7,407	7,065	8,691	8,265	7,917
Y2	7,204	6,778	6,431	7,932	7,500	7,147
Y3	4,083	3,848	3,655	4,531	4,290	4,091
Y4	3,105	2,967	2,850	3,530	3,386	3,263
Y5	1,910	1,867	1,827	2,269	2,220	2,174
Y6 - Y20	432	402	372	518	482	446
Present Value 10 Per cent	21,784	20,611	19,622	24,427	23,203	22,162
Present Value 15 Per cent	19,219	18,189	17,329	21,487	20,420	19,522
Present Value 20 Per Cent	17,265	16,343	15,576	19,261	18,309	17,514

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Net Savings Resulting from
the Refugee Settlement Project
(000's of U.S. Dollars)

	B	C
Present Value ^{1/} Annual Maintenance Cost	Present Value Project Costs Less Contingency ^{2/}	Present Value Project Costs With Contingency ^{2/}
<u>400,000 Camp Population</u>		
20 years, 10 percent	43,893	21,784
20 years, 15 percent	24,427	21,487
20 years, 20 percent	32,271	19,265
<u>450,000 Camp Population</u>		
20 years, 10 percent	25,106	23,203
20 years, 15 percent	20,611	20,410
20 years, 20 percent	18,189	18,309
<u>500,000 Camp Population</u>		
20 years, 10 percent	22,317	19,622
20 years, 15 percent	35,114	17,329
20 years, 20 percent	25,817	15,576
	20,085	17,514

^{1/} At official Exchange Rates from Table 11

^{2/} From Table IV

Appendix D.3

SOCIAL SOUNDNESS ANALYSIS

1. Introduction
2. Characteristics of the Refugee Population
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6. Methods of Achieving Refugee Participation
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1. Introduction

This analysis first considers the social, economic and political context of the refugee camp population in Somalia. The next part of the analysis focuses on one region of Somalia which contains a large population of refugees in camps. It is noted that the socio-economic and political systems of the host society within which refugees will be expected to settle must be understood before planning settlement sub-projects in a particular region or area. The analysis then turns to the question of whether sufficient numbers of refugees will wish to participate in the project. It is concluded on the basis of previous patterns of refugee integration into the Somali economy and society that precedents for refugee settlement exist. Assistance provided by the project will induce more camp residents to seek economic independence, but many refugees will be unwilling to give up the security and benefits they currently receive in the camps, especially in the case of the old, infirm or otherwise economically-dependent people.

The numbers, characteristics and needs of target beneficiaries are discussed next. The project aims to assist a total of approximately 40,500 individuals or 8,100 families. (Of these, 1,200 would be non-refugee local families). The analysis continues with a description of the means by which target beneficiaries will be identified and their participation in settlement activities elicited. The following part of this analysis discusses potential project impacts, both negative and positive, on beneficiaries and the wider economy. It is concluded that desirable project impacts will outweigh undesirable impacts. The last section of the analysis points to ways of avoiding undesirable impacts and promoting beneficial impacts.

2. Characteristics of the Refugee Population

a. Population

Accurate population figures for refugees living in the camps have been impossible to obtain and have been a source of considerable high-level discussion between the GSDR, UNHCR, WFP and donors. Projections of population size have ranged from an estimated 1.3 million in 1991 to the GBDR-approved planning figure of 700,000 in use today. Officially, food and other resources are distributed between 450,000 refugees in the southern camps and 250,000 in the north. The 700,000 planning figure has not been accepted by the donors who pledge annual food donations to feed 550,000 refugees. Un-official population estimates range from a low of 250,000 to

a high to 500,000 persons. No population figures exist for refugees who have chosen to settle outside the camps.

Inflated population figures have led to inequitable food distributions and added to costs of providing basic social services such as health care and water. For some influential persons and groups, access to extra rations has become a means to generate income while the less powerful groups are deprived of adequate food rations and the means to supplement the daily ration with preferred foods, such as meat and milk. Planning for basic services and income-generating activities is difficult because statistical sampling, based on an inflated population figure, cannot be done correctly. Those agencies who have knowledge of accurate population size, such as the Refugee Health Unit, are unable to use them officially in their program planning.

Characterization of the refugee population in terms of age and sex composition has been based on a survey conducted by UNHCR in early 1982. The survey was carried out in camps in three regions, chosen to provide a cross-section of occupational groups. The survey reported camp populations comprised of 60% children under the age of 15, 25% women and 15% men, many of whom were old or ill. When asked "Where are the men?", they were reported to have been killed, in the army, off with the herds or engaged in some other income-generating activity. It is likely that the percentage of males residing in the camps has increased as stronger economic ties have developed with local communities and as camp-based employment and other income-earning potentials have expanded. Additionally, a decline in forced conscriptions by the Somali Army may have encouraged male residents to return to the camps. A survey conducted by CARE in late 1983 reported a greater incidence of male-headed households, as much as 60% in one camp in the Hiran region. However, the proportion of female-headed households may still remain high, given the known migration patterns of men.

b. Social and Administrative Organization of Camps

The formal administration of the refugee camps reflects the organizational system established during early relief efforts. Each camp is managed by a camp commander, chosen and employed by the National Refugee Commission. In some cases the camp commander is a refugee; in other instances, he may be a former military person. Camp commanders have ultimate control over camp matters and resources but generally must have the sanction of the local leaders to operate effectively within the camps. Community leaders have been instrumental in removing camp commanders who do not represent the interests of the

traditional system of decision-making. Those camps with a coherent traditional system of decision-making by elders have been most influential in achieving and maintaining access to resources through the formal camp administration.

Refugee camps are broken down into units ranging from six to as many as sixteen sections. Initially, sections and sub-sections were organized around formal groupings of 100 families down to 10 families in order to facilitate food distributions and other relief efforts. Movement in and out of the camps, as well as relocations between sections; have tended to blur these formal units. Each section is headed by a section or sub-section leader, who may be appointed by the camp commander. Selection of section leaders usually reflects the preferences of the residents of the particular section as that leader represents their interests within the formal camp administration.

Generally, informal organization within the camps has centered around a charismatic individual or an important issue. In many instances a leader may be a sheikh who has managed to retain or develop a cohesive following in the camp. Traditional organization based on control of resources is reflected in the evolving role of the section leaders. For example, the establishment of the ration shop system for distribution of food and non-food commodities removed an area in which the section leaders had a strong influence and personal interest. The older section-by-section distributions vested much power in the leaders as they supervised distributions and maintained family lists. Those leaders who were established spokespersons for their sections managed to retain their leadership roles, while others lost much of their authority following the establishment of the ration shops. Women's committees, farm committees, youth leagues and other community groups established by the formal camp administration have had difficulty remaining active, and usually mobilize in response to specific needs. Farm committees, for example, may form to select and assign plots of land to individual farmers and yet be unable to regroup in order to provide labor for maintenance of an irrigation system. These groups are focused more on the results of a single event than on long-term improvement of camp life or coordination of assistance. This may be partly in response to the limited resources available in the camps, which reach special interest groups sporadically, if at all.

c. Economic Activities

The high percentage of children, coupled with the small ratio of men to women reported in planning figures gives an often false perception of a high degree of dependency among the

refugee population. In fact, almost the opposite is true. Camps have evolved from small enclaves of dwellings concerned solely with the physical survival of the refugees to communities offering numerous economic opportunities. Recent formal and informal surveys conducted by PVOs working in the camps have revealed a variety of employment and economic opportunities within the camps.

The foundation of the economy in the camps is the ration. It assures daily survival as well as providing a cash source for purchase of supplementary goods and services. Inflated population figures have led to a surplus of rations which may be tapped for sale or barter. As noted by Christensen in 1982, refugee groups compete and have differential access to surplus rations. Under the former section distribution system it was possible to divert whole bags of food stuffs, and distributions frequently came up short at the end. The ration shop system has ensured that all registered families at least receive the ration; whether the size of the ration reflects accurately the actual family size is another matter. Ration cards, used under the new distribution system, are sold as people leave the camps to return to Ethiopia or move to a new dwelling place.

An efficient system to move food out of the camps exists in all regions. Rebagging shops where surplus rations are pooled and rebagged into large sacks are located near ration shops and markets in all camps. The refugees are very protective of the redistribution system and an outsider may only catch a glimpse of the amount of food being rebagged. Markets for the surplus rations vary from region to region. In the Hiran Region, for example, refugee foodstuffs are sold in markets in all major towns while in Gedo Region smaller stocks of rations exist in local towns, even though food is transported away from the camps. Food in the Gedo Region may be sold across the border or to the military.

Most camps have well-developed markets where numerous commercial transactions take place. Buses and bush taxis ply between the camps and nearby towns bearing customers and wholesale goods for camp markets. Large shops and smaller outdoor vendors sell a variety of goods such as eggs, tomatoes, onions, batteries, pens, cigarettes, matches, and in some shops, even clothing. Other neighborhood shops selling similar commodities are scattered throughout the camp. Additionally, vendors sell firewood and building materials either from their homes or the central markets. Tradespeople such as blacksmiths, butchers, bakers and tailors have established small businesses in and near the markets. All camps have several tea shops while the more developed markets may boast a restaurant or two. Both men and women engage in commercial

activities with men owning the large shops and women managing the smaller market stalls.

Although refugees are reported to have no livestock, a visit to any camp reveals the presence of animals, especially small stock such as goats and sheep. The care of these animals is entrusted to children who lead the animals into the surrounding countryside in the early morning and return at dusk. Cattle are also found in the camps but to a lesser extent. Camp residents are reluctant to discuss the number of animals kept in the camp, as well as those which may be herded in the bush, as they are indicators of an individual or family's economic status.

In the past year, agriculture has become an important economic activity for some camp residents. Farmers have sought access to land away from the government-controlled refugee farms and begun growing cash crops such as tomatoes, maize, and onions. The farmers have developed a variety of cooperative arrangements to combine and ensure equitable distribution of resources. For example, in Gedo Region cooperatives exist under several different organizational arrangements. In the first instance, a sheikh, with assistance from an international voluntary organization, has established a traditional religious agricultural settlement away from the camp. Decisions concerning crops to be grown, inputs that are needed and distribution of the profits rest with the sheikh. Another cooperative, composed of farmers who worked as a group in Ethiopia, combines resources to purchase seeds, tools and petrol for the irrigation pump, but each farmer markets his produce individually. In a final example, a group of wealthier refugees, who managed to purchase a pump, formed a cooperative with local farmers to obtain access to land. Cooperation among this group is minimal, extending only to joint use of the land and pump and communal purchase of petrol. In each case, the level of cooperation is determined by the desire to obtain a cash profit from the farm. Although the farmers are showing a profit under the three different arrangements, they do not wish to lose their ration cards since they are still refugees.

Employment opportunities in the camps themselves are limited and vary from region to region, depending on unskilled labor requirements. Few permanent jobs for refugees exist within the camps, primarily with government agencies or PVOs. In the camps, cash employment that is available may be controlled by the camp authorities.

Employment opportunities for women are more severely constrained than for men, as the women bear primary responsibility for household maintenance tasks. Caring for

children, collecting rations, water and fuelwood, and preparation of meals occupy a major portion of a woman's time during the day. Consequently activities that allow a woman to set her own schedule, build on domestic skills and work in the home are the most suitable and popular forms of income earning employment among women.

3. Socio-Political and Economic Structure of a Project Target Area: Northwest Somalia

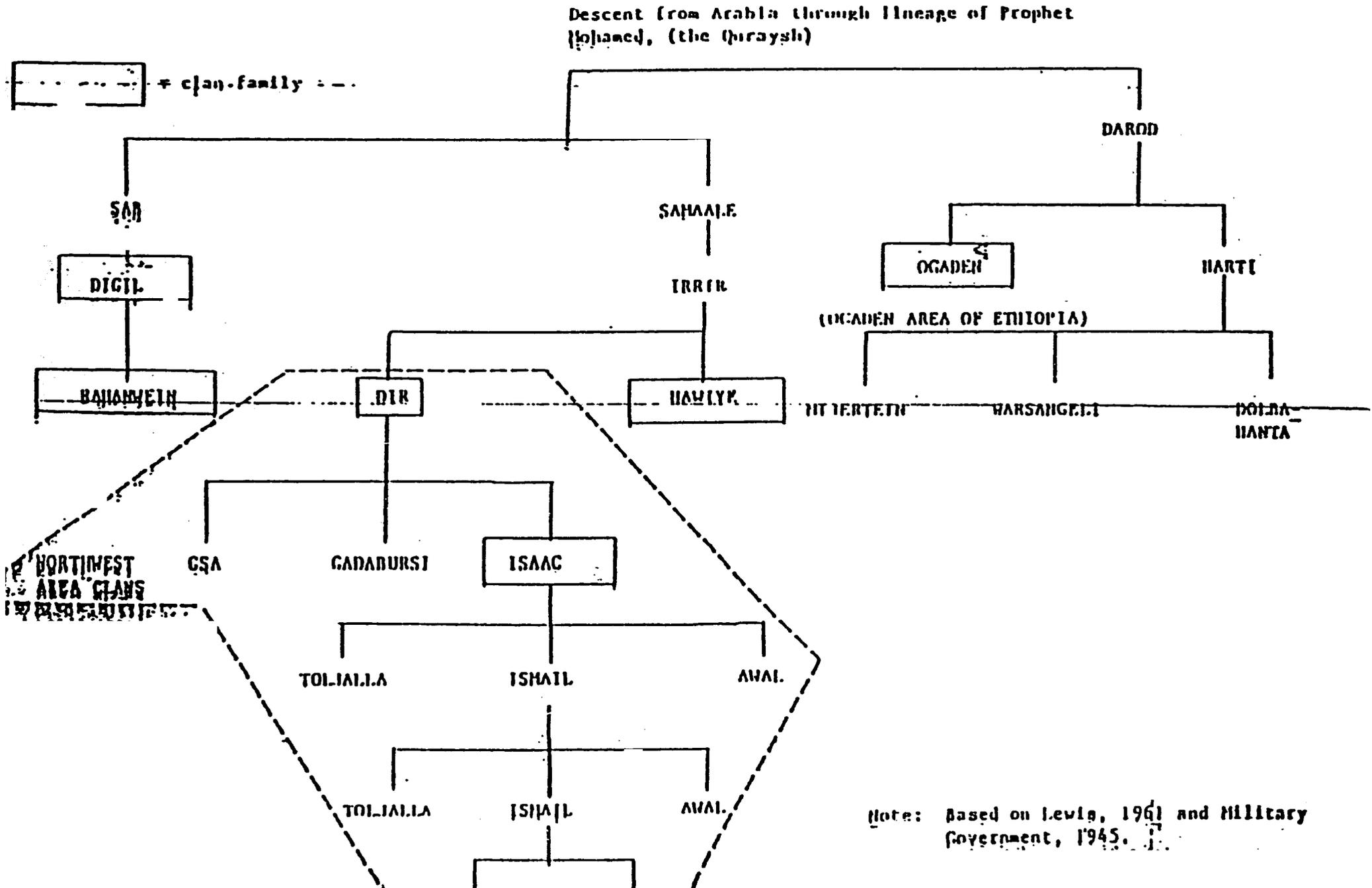
a. Introduction

The Northwest Region was split into two Regions during 1984. The former Northwest Region is now Northwest and Awdal Regions. In the following analysis, the Northwest refers to both of these Regions. The Northwest Region of Somalia was one of two regions identified by the USAID Somalia mission in August 1984 as a high-priority region in which to initiate the Refugee Settlement Project. For this reason, the DAI/IDA project design team focused considerable attention on the Northwest region, which contains approximately 260,000 refugees representing over one third of all officially-recognized refugees in Somalia. While the eventual locations of the Refugee Settlement Project will depend upon policy discussions between USAID and GSDR and the results of the Land Resource Review and Rapid Site Assessments, it is probable that the Northwest Region will be one of the selected regions for Settlement Project activities. Prior to beginning detailed project design in a particular region, an overview of socio-political and economic structures of that region will be required as part of the project feasibility studies. Analyses similar to the following analysis of the Northwest Region will need to be conducted for any other selected target regions. The following analysis therefore presents both the socio-political and economic context for refugee settlement activities in one particular region (the Northwest) and provides a model for regional analyses which will need to be carried out for other targeted regions in the future.

b. Historical Background

Competition between the European imperial powers in the latter part of the 19th century for control over Ethiopia resulted in an agreement between Britain and the Ethiopian Emperor Menelik which was to have far-reaching repercussions for the Somali people. This was the recognition of Ethiopian sovereignty over the Ogaden, following Menelik's conquest of Harar. The Ogaden area contained the main grazing area of clans based in British Somaliland, as well as being the traditional home of the Ogaden clan itself, a numerous and important division of one of the

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Figure 1: Somali Clan Families: Major Clans and Sub-Clans in the Northwest and Ogaden



five major Somali clan families, the Darod. This agreement was never recognized by Somalis on either side of the "provisional administrative boundary" demarcating the Ogaden from the British and Italian borders of Somalia.

Ethiopian jurisdiction over the Ogaden was not formally recognized until 1954, but the recovery of the area, known by Somalis as "Western Somaliland," has remained a national issue. This was most recently expressed in the 1977-1978 war between Ethiopia and Somalia which resulted in the massive influx of refugees from Ethiopia. The vast majority of refugees now in the Northwest are ethnic Somalis from Harar area and the Ogaden.

c. Socio-Political Organization

The peoples of Somalia's Northwest Region and their neighboring fellow Somalis in Harar Province of Ethiopia belong to several different clan-family groups which traditionally controlled and often fought over the land. The area included in the Northwest Region of Somalia is inhabited by members of the Gadabursi, Isaac, and Esa clans who claim descent from the major clan-family known as Dir. (See Figure 1.) However, the grazing lands of the Isaac clans extend far into the Haud zone to Harar Province. The Haud is described by Lewis as follows: "Although it lacks permanent water, this region is perhaps the most important pasture-land of the north" (2).

The Gadabursi occupy the relatively higher rainfall area of the west, around Boroma, extending into the Ethiopian-ruled areas of Jigjiga. A 1945 British report notes that "when the boundaries of British Somaliland were fixed with Ethiopia the best grazing lands of this tribe came within the Ethiopian sphere of influence" The Esa likewise are split between national boundaries, in this case Djibouti, Ethiopia and the extreme west of northern Somalia. They share a common ancestor with the Gadabursi, their neighbours to the east.

To the south, within Harar Province, the Ogaden clan predominates. This is a major branch of the Darod clan-family, as distinct from the Dir clan-family, to whom the Isaac, Esa and Gadabursi clans are affiliated. The Darod are the largest and most widely-distributed clan family, extending into several major sub-groups dominating northeastern Somalia.

Estimates of clan populations in the 1950's indicate that in the Northwest, the Isaac clan members considerably outnumber the Gadabursi and Esa clans: sub-clans of the Isaac, Habr Awal,

The institution of national government following independence and the revolution of 1969 have curtailed intensive clan/lineage belligerence as a means of resolving disputes over land, water and property. Mediation and negotiation, involving not only respected clan elders but also government-appointed officials, are now the accepted methods of solving disputes. Access to land can no longer be claimed and protected by a lineage or clan. Nevertheless, the twin principles of effective occupancy and rights based on customary usage remain as entrenched in the Northwest as they do in other parts of Somalia.

d. Economic Systems

The systems of production in the northwest area consist of nomadic pastoralism, sedentary agro-pastoralism and irrigated agriculture. Two other economic activities of considerable importance are small- and largescale trading in the towns and labor migration to the Gulf states. The regional economy is based on livestock production for both domestic and export purposes, remittances from labor migrants, and trading. Exact statistics on the relative contribution that each of these activities makes to the regional economy as a whole are not generally available. Even if they were, they would probably not be very reliable, since much trading and remittance activity operates outside of official channels. Informed reports indicate that livestock raising is still the major source of income for perhaps the majority of people. It is suggested that irrigated horticulture/agriculture is currently a "boom" activity and that trading and remittances provide an increasingly significant source of income in the region.

In discussing each of these activities, it should be emphasized that the Somali extended family unit typically is involved in several activities at the same time, though the location of each of these activities may be widely distanced from each other. This is an adaptive strategy that permits different family members to exploit a variety of economic niches in an effort to minimize risk. In the process, most families depend on several income sources by participating in several activities. Thus through the extended kinship system, town dwellers obtain income from livestock kept by their rural kin; nomadic families maintain urban connections by marketing their livestock and occasionally engaging in wage employment, including migration to the Gulf states. Farmers also keep livestock, and livestock-keepers are involved in farming in good rainfall years. The refugee population appears to be no exception to this rule, to the extent that refugee families have been able to participate in the economy. Bereft of much

Figure 2 Seasonal, Social and Geographical Patterns of Livestock Production, Northwest Region

Month	Season	Climate	Productive Activities	Movements between zones	Social Groups
April	jilaal/gu	hot period	watering livestock ceases, animals start moving to southern pastures	Ogo to H. Haud	Families move from highland to southern plains, young men herd camels, women, children and older men tend smallstock (adi).
May	gu	main rains in Haud and highlands	herds graze on fresh pastures, water in surface pools	1) northern to southern Haud 2) Guban to Ogo	Temporary settlements around Haud oases, coastal groups north to Ogo highlands.
June	gu	rains tailing off, S.W. Monsoon rising	herds grazing, watering from tanks and trucks	1) Haud 2) Ogo	
July	gu/hagaa	very hot, dry	camels graze far out in Haud, smallstock around waterpoints	1) Haud 2) Ogo	
August	hagaa	rain on high plateau, dry elsewhere	All small stock start to move back north to dry-season wells, camels stay far out	Haud to Ogo	central and southern-based clans mingle with coastal groups, still on Ogo
Sept.	hagaa	hot, sporadic showers on highland	crops harvested	1) Ogo 2) Ogo to Guban	coastal-based groups in Ogo move back to coast.

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Season	Climate	Productive Activities	Movements between zones	Social Groups
hagaa/dayr	N. E. Monsoon, rain heaviest on coast	Livestock move away from wells to coast	1) Ogo to Haud 2) Ogo to Guban	
dayr	rain ceases	livestock grazing away from wells	1) Haud 2) Guban	
dayr/ jilaal	dry season begins, some showers on coast	camels watered from trucks and tanks in Haud smallstock watered from homewells	1) Ogo 2) Guban	central groups concentrated on highlands, using "home wells". Young men herding camels in Haud
jilaal	1) dry, harsh conditions on highlands; 2) main rains on coast	Livestock herds most widely disbursed; camels still south, smallstock in north	1) Ogo 2) Guban	coastal groups concentrated at coast
	dry	as above	1) Ogo 2) Guban	young men still with camels in Haud
	dry, hot	most livestock close to wells	1) Ogo 2) Guban	People and stock concentrated around homewells

Adapted from Lewis, 1961

of their herds, and unable often to gain access to farm land, refugees have taken up trading, urban wage employment which includes migration to the Gulf, and agricultural employment, in a diversified income-generating strategy.

The region's principle economic activity, pastoralism, is organized around the seasonal exploitation of different eco-zones in a transhumance system. Herds of sheep, goats and camels are moved between the coastal zone (Guban) up into the central highlands (Ogo) and far into the Haud plains in Ethiopia, according to the seasonal availability of pastures and water. In the dry seasons, herders and their livestock concentrate around the permanent "home wells" of the highlands, dispersing south into the Haud with the spring rains. On the coastal plains, herds are moved up into the Ogo highlands with the spring rains, to occupy the areas temporarily vacated by the movement from the highlands into the Haud. (See Figure 2).

Water sources for livestock vary within each topographical zone. On the coastal plains, shallow sand-wells are dug into the tya (seasonal rivers) and, being easily maintained, exclusive rights of use are rarely upheld. In the Ogo highlands, water is obtained in the dry seasons from deeper wells which, requiring more labor to develop, are usually claimed by specific groups. Within the Haud, livestock are watered in the rainy season from surface pools and when these dry up, from cement-lined reservoirs (birked) or with water trucked in from the northern areas. Water tanks and trucks are often owned by large livestock traders, which permits them to concentrate livestock at accessible points for movements to the ports.

Although the livestock sector in the Northwest is highly commercialized, it also provides subsistence income to pastoralists, principally in the form of milk. The livestock industry is vertically integrated and controlled by a small group of livestock exporters (qanacatada). These exporters depend for their livestock supply upon small-scale local traders (qadigley_gc_bayac_nysofac) who purchase animals from producers and resell them to their agents. Livestock are then exported live from the port of Berbera to the Gulf states, mainly Saudi Arabi. In 1983, the last year for which figures are available, a total of over one million sheep and goats, 30,000 cattle, and 3,300 camels were exported from Berbera, earning an estimated 380,000,000 in foreign exchange (5). Saudi bans on the import of Somali cattle, sheep, and goats, introduced that same year, drastically reduced livestock exports from this region. However, current and planned improvements in veterinary services are expected to meet Saudi Arabian animal health requirements and revitalize the export

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market. (USAID/Somalia's new Livestock Marketing and Health Project will include this region).

Dryland farming is practiced in the higher rainfall areas of the southwest part of the region, which is ecologically and culturally linked to the Harar-Jigjiga upland agricultural area of Ethiopia. The use of plows is widespread, in contrast with other agricultural areas of Somalia where the hoe is used. Bunding on sloped ground, in order to conserve rainfall and prevent erosion, has been practiced for some time and is being promoted by the World Bank North West Agricultural Project. The principal crops grown are sorghum and maize. Until 1983, gat, a mild stimulant, was grown as a cash crop. Its cultivation, however, has been banned by the government, with obvious consequences for farm family income. Farming families also typically hold livestock such as cattle, sheep, goats, and camels. Larger herds are tended by kin as part of the transhumance cycle previously described, while small milch herds are kept close to the farmlands, fed on grain stubble, chaff, and local pasture.

Irrigated farming and horticulture have become increasingly popular in the last decade. Three factors may account for this trend which began in the mid 1970's: first, availability of capital acquired by migration to the Gulf states, which expanded during the 1970's due to the lifting of government restrictions; second, the 1975 changes in the agrarian land law, which introduced land registration under a lease arrangement and thus encouraged capital investment on the land since security of tenure was guaranteed by the state; and third, the influx of refugees from the Ethiopian highlands who brought with them skills and experience in irrigated horticulture, and could be hired as laborers or farm managers.

The irrigated farms are usually located along semi-annual river valleys or tugs and draw their water from pumped wells that cost from between So.Sh.30,000—200,000 to install. Crops grown include citrus, papaya, guava, tomatoes, cabbage and melons. The farms are usually owned by prosperous local traders and businessmen, some of who regard the venture as speculative but who nevertheless have access capital which they are willing to risk.

Trading, whether legal or illegal, is a major source of income in the region. Trading activities range from small-scale marketing of agricultural and livestock produce such as vegetables and milk, to the profitable but often illegal import-export business, which includes but is by no means limited to livestock trading. A lively trade exists between the region and neighboring Djibouti, as well as with the Gulf

states. Imported goods are available in the Hargeisa market place which are rarely found in Mogadishu. Haakonsen has noted that trading is "to a large extent controlled by women. This applies not only to petty market trade, but also to the lucrative long-distance trade that may involve millions of shillings per transaction" (6).

Finally, labor migration to the Gulf states has become an important source of income for inhabitants of the region. According to the SOGREAH survey, more than one quarter of family income comes from wages earned abroad. Remittances may account for as much as \$53,000,000 annually in this region and a number of observers refer to the Northwest as a "remittance economy" (7). The peoples of this region have long been part of what has been described as a "vast, monetarized trading network connecting Ethiopia and the Arabian peninsula" (8). In the 1950's, the same author remarked how nomads who had worked for years overseas would "return to invest their savings in larger flocks of sheep and goats, and larger herds of camels" (9). Investment of remittances has expanded to include business, irrigated farms, speculative urban house construction, restaurants and development of water tanks. Refugees, as well as locals, are involved in labor migration. It is said to be relatively easy for refugee men to obtain the necessary Somali passport required for a visa to the Gulf states. The extent to which refugees have sought employment abroad is, however, impossible to gauge.

In summary, both local and refugee populations in the Northwest participate in a variety of economic sectors and activities. The SOGREAH study suggests that only 11.5 percent of families in the Northwest Region derive their income solely from livestock; 20 percent of families depend on combined nomadic livestock rearing, town-based activities and/or small-scale agriculture; 38 percent of families gain their income primarily from urban employment; and 29 percent of families depend solely upon migration remittances. Among the refugee population living in camps, there is a similar pattern of mixed activities, though on a much smaller scale and involving fewer families, as Tables D3.1 through D3.4 indicate. The extent of economic participation by refugees is undoubtedly underestimated in these data, but until further results are obtained from the NRC "Invisible Refugee Study" which includes Hargeisa, there is little information available on refugee economic activities in the Northwest Region.

Table_D3.11 Refugees' Previous Major Occupation and Livestock Ownership*

Major Occupation

Camp	% Farmers	% Pastoralists	% Town-dwellers	% Owned Livestock	% Farm
Dare Ma'an	79	16	5	100	97
Dam Camp	42	43	15	50	82
Cadi Caddeys	47	47	7	80	67
Saba aad	48	46	6	69	75

Source: UNHCR, 1982

* The distinction between "farmer", "pastoralist" and "towndweller" is not always clear, as many families are agro-pastoralists and urban families also may own livestock and practice farming. This overlap is indicated by the data on livestock ownership whether farmed, (last 2 columns above). As the UNHCR report comments on the question asked regarding occupation by sector: "This proved to be more complex than was anticipated. The pastoralists settled as farmers during certain periods and then moved on with their livestock during others. The hardcore farmers and town dwellers also moved at times to look after their stocks themselves". (UNHCR 1982, p. 26).

Habr Yunis, Habr Tojalla, and Eldagalla occupy Hargeisa and Berbera districts, while relying on the Haud wet-season grazing zones in northern Ethiopia. The Gadabursi are located in the districts of Gebiley, Boroma and Lughaya, until recently part of the Northwest Region, while the Esa are found in Seyla (Zeila) District. It is believed that the new Awdal Region will incorporate the districts of Gebiley, Boroma, Lughaya, and Seyla.

One would be mistaken in assuming that, either now or in the past, these various clans exercised formal or even strict control over land. As one modern anthropologist has remarked, with reference to the Northwest:

Although the mentioning of clan names has long been outlawed by the present government, clan identification continues to be of crucial importance to most individuals, perhaps more so in the north than in the south. Traditional clan-conflicts over a range of issues ranging from grazing rights to disputes between two individuals from different clans are still to a large extent settled through negotiations between clans, and the tribal elders still play an essential role, at times leading to friction between themselves and political leaders and government officials. The great difference between them is that while a government administrator's authority is limited to a specific geographic location, e.g. a region or a district, the clan leader's authority on certain issues may extend across districts or regions, or even across national boundaries if his clan is settled on both sides of for instance the Somali-Ethiopian border (3).

To a large degree, effective control over grazing land was in the past determined by lineage or clan numerical superiority rather than by negotiation, as described by the anthropologist I. M. Lewis:

In general there are no political units whose membership reflects territorial allegiances.... In conformity with (the) shifting system of movement and lack of absolute ties to locality, lineages are not based primarily on land-holding... In Somali lineage politics the assumption that might is right has overwhelming authority ... Political status is thus maintained by feud and war ... With this political philosophy it is hardly surprising that fighting in Northern Somaliland is a political institution of everyday life (4).

Table_D3.2: Previous Agricultural Activities of Refugees*

Percentage Distribution

Camp	Grains only	Grains & Veg	Veg only	Grain +/- or veg + coffee	Total
Dare Maa'an	54	34	3	8	100
Dam Camp	53	24	-	20	100
Cad: Caddeys	59	32	-	3	100
Saba'aad	59	22	8	11	100

Source: UNHCR, 1982

* In Dare Maa'an, 92 percent of households had farmed, in Dam 82 percent, in Cad: Caddeys 67 percent, and in Saba'aad 73 percent.

Table D3.3: Current Economic Participation of Refugees

Camp	Males		Females	
	Cash earning	In-Kind earning	Cash earning	In-Kind earning
Dare Maa'an	20	15	9	-
Dam Camp	5	7	7	-
Cadi Caddeys	13	0	26	0
Saba'aad	2	0	1	0

Source: UNHCR, 1982

Table D3.4: Percentage Distribution of Refugees by Age and Sex

Camp	0-9 yrs	10-19 yrs	20-34 yrs	35-54 yrs	55+ yrs	Total
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Dare Maa'an

% Males	37	29	9	17	9	100
% Females	30	23	18	22	7	100

Ratio of male to female adults = 65:100

Dam Camp

% Males	39	37	12	7	5	100
% Females	38	32	14	11	5	100

Ratio of male to female adults = 94:100

Cadi Caddeys

% Males	33	46	12	6	6	100
% Females	41	18	21	13	6	100

Ratio of male to female adults = 68:100

Sabaa'ad

% Males	39	33	13	9	6	100
% Females	36	34	14	9	7	100

Ratio of male to female = 93:100

SOURCE: UNHCR, Socio-Economic Survey of the Refugee Population in Somalia, Mogadishu, 1982

Settlement Project to promote equitable land distribution to all refugee groups who wish to settle on the land. Some proposed measures are described in Appendix D.1.

(i) The multi-faceted economic strategies currently pursued by local Somalis and refugee families in the Northwest point to the riskiness of relying on any single economic activity. Successful adaptation to a harsh and often unreliable climate has depended on geographical mobility (including the recent pattern of migration to the Gulf) and combining pastoralism with agriculture, trading and occasional wage employment. There is no reason to suppose that the refugee population who elect to settle outside of the camps will pursue any different strategy. Therefore, the design of refugee settlement activities must incorporate a similarly multi-faceted approach to the economic integration of refugees, if the refugees are to build reasonably secure and viable livelihoods for themselves.

(ii) The patterns of livestock and human movement throughout the region, in the pastoral nomadic cycle, imply that potential refugee settlement sites which appear unused or unoccupied for some seasons may in fact be claimed by pastoralists. In this case, plans to settle refugees will conflict with pre-existing rights to these areas, and create hostility if implemented without compensation to the pastoralists.

(iv) The recent influx of capital acquired by overseas migrants together with other factors has generated economic growth in some economic sectors - notably irrigated horticulture and livestock. This has precipitated a sharp increase in land values and an accompanying rush to claim and register both pasture and farm land. There are resulting detrimental and beneficial consequences for refugee settlement. Competition for high-value land with the best potential is intense, and refugees are less well placed to stake their claims. As "outsiders", refugees are perceived by locals as having less rights to claim valuable land; they also lack the political and financial influence to press their claims. On the other hand, expansion of horticulture has created a demand for skilled refugee labor; likewise capital investment in urban areas has also created a demand for labor, some of which is being supplied by refugees. There are thus new employment opportunities for refugees, which could be increased by an imaginative Refugee Settlement Project.

4. Refugee Motivation and Participation in Project

The refugee population in Somalia is not a homogeneous group; not only are refugees ethnically diverse, but they originate from different environments and thus have a variety of skills, experience, and aspirations. Most refugees have for some time had access to a higher level of social services and food security than many national Somalis in the rural areas. There is accumulating evidence that some proportion of refugees nevertheless aspires to become economically independent, and a considerable number have already either partially or fully achieved this goal. A considerable degree of refugee dispersal from the camps can also be inferred from the acknowledged reduction in camp populations since the initial influx of 1977-1978. From the perspective of refugee motivation and participation in this project, a range of economic opportunities should be developed to take advantage of the various backgrounds, skills and interests of the refugee population. This is preferable to depending solely on major agricultural settlement schemes to solve the problem.

For those refugees who are able and wish to curtail their dependent status, the settlement program will open up new economic avenues, which will simultaneously allow some refugees to make a significant contribution to the Somali economy and to achieve economic independence on their own behalf. However, there also is a sizeable proportion of refugees whose family members have already become absorbed into the economy, through wage employment, a return to pastoralism or other economic activities. For this group, the continued residence of some family members in a refugee camp represents a strategy of risk aversion and income diversification. This strategy is only a new variant of a long-established pattern among the nomadic and semi-nomadic people of the entire region. For members of this group, additional income and economic opportunities offered by a settlement project will likely be perceived as supplementary rather than essential, as their basic subsistence needs are already being met through refugee food aid and the income from family members already integrated into the economy.

Given this situation, the settlement program will be aimed in the short term at those refugees who are currently seeking to become economically independent, as well as those who aspire to be so. These individuals and their families may be characterized as "pioneers", who have not yet been successful in reaching their goals for one reason or another. To encourage these pioneers, the new opportunities offered must be more socially and economically attractive than current camp conditions.

Therefore, the underlying assumption upon which a policy of refugee integration must rest is that economic incentives provided by this project will be matched by a consistent but humane policy of applying disincentives to remaining in refugee camps. The rationale of this Refugee Settlement Project is based on this assumption, and that over the longer term a sizeable proportion of the refugee camp residents will follow the lead taken by refugee pioneers. Only in this way can this project hope to include a significant refugee settlement component, based on the refugee's right to make his or her own personal choice regarding incentives and disincentives for settlement.

At the same time, there is likely to remain a residual group of refugees who are unable to become economically active -- the aged, the infirm and the very young. Provision will need to be made for members of this group. Some can be expected to be eventually incorporated into their larger kin groups once these latter are sufficiently well-established to take on more dependents. Others may not be so fortunate. Therefore, it must be accepted that a dependent population of refugees is likely to remain, once all other avenues of dispersal -- repatriation, economic integration or attachment to kinfolk outside the camps -- have been exhausted.

3. Target Beneficiaries

The total number of direct beneficiaries under the project is 8,100 families, of whom 6,900 will be refugees and the remaining 1,200 will be non-refugees. Assuming 5 persons per family, the total number of beneficiaries is 40,500 persons. The project is designed to assist refugee and non-refugee families in several different ways; firstly, to take up or expand farming activities (both dryland and small-scale irrigated); secondly, to receive skills training in urban-based, small-scale industries; and thirdly, to receive financial, technical and management assistance for both agricultural and urban-based economic activities.

The planned proportion of families that will receive these various forms of assistance is as follows:

Agricultural settlement on undeveloped land:

5,000 refugee families
1,200 non-refugee families
7,200 sub-total

Urban-based Small-Scale Industry:

- apprenticeships - 450 refugee families
- entrepreneurial support: 225 refugee families
- skill training: 225 refugee families
900 sub-total

Total families in agriculture = 7,200
Total families in urban-based industries = 900
Grand total of assisted families = 8,100

The refugee beneficiaries will be identified in the assessment study planned for Project Stage Two. This study will record refugee camp inhabitants who express an interest in agricultural or urban-based activities and who appear to have the minimum requisite skills and experience to profit from either of these types of activities.

The proposed mix of settlement activities and the proportion of families that are anticipated to participate is based on the

mix of economic activities pursued by refugees in their homelands. Thus, most refugee families were formerly farmers (in addition to keeping livestock) and about 10% of refugee families were formerly town dwellers and presumably have some experience in wage employment or urban enterprises. Once new settlers become established in crop agriculture, with project assistance, they will have greater opportunities to invest in livestock, the traditional mainstay of the agro-pastoral economy in this region.

Indirect beneficiaries of project activities will consist firstly of the wider kin network associated with project participants. Present patterns of income-redistribution between Somali families suggest that families whose income is increased through settlement activities will also share a portion of that income with other kinfolk. This "spread effect" cannot be directly measured, however. Secondly, the communities in which refugees settle will benefit from the infrastructure development and increased access to goods and services emanating from settlement activities.

5. Methods of Achieving Refugee Participation

Intended beneficiaries' participation in the refugee settlement project can be achieved provided certain steps are taken by the GSDR and project implementers. These steps are outlined below. As has already been discussed in Section D.4.4. of this Appendix, there are sound reasons for presuming that a significant number of refugee families will be motivated to leave the camps and settle elsewhere in Somalia. Motivation is, however, not a sufficient guarantee that intended beneficiaries will actually participate in the project. Several important preconditions must be met in order to achieve the project goals. These preconditions or steps are as follows:

1) Security of Land Tenure

Refugee settlement on the land cannot be successfully achieved until the GSDR has enacted enabling mechanisms to assure potential refugee settlers secure access to the land they intend to settle on.

Such enabling mechanisms should include a clear definition of refugees' rights and restrictions with regard to registering land. Once settlement sites for refugees have been identified, active state support must be given to refugees who wish to claim and register land, provided this land is not already claimed or registered by others. The government's law and policy on land must be made known to refugees who may wish to settle. Equal protection under the law should be granted to

local citizens to avoid their being excluded from land they customarily use and to avoid future resentment towards refugee settlers on the part of locals.

Second, the process of identifying specific settlement sites should be guided by the suggestions set out in Section IV.C.1.6, "National Land Resource Review".

Thirdly, if the settlement approach is to be based on an assisted spontaneous settlement model, there will be a need for potential refugee settlers to have access to a Community Relations Advisor (CRA) or Ombudsman. The role of the CRA/Ombudsman should be one of advocacy on behalf of refugees and liaison with local authorities and leaders to assist refugees in securing claims to land. The CRA/Ombudsman should be well-informed on both customary and civil procedures relating to land registration and land dispute resolution. The CRA/Ombudsman should have the authority to negotiate and mediate between refugee settlers and local leaders; establishing refugee settlers' land claims or to seek the intercession of other appropriate mediators, such as government officials and community elders. The objective of the CRA/Ombudsman should be to promote the interest of refugee settlers by creating sound community relations with members of the local population. (See Section VI.D.4, "Administrative Analysis").

11) District-based Project Support Office

The Administrative Analysis (Appendix VI.D.4) sets out the proposed functions of a local support office, whose staff would offer technical, financial and management advice to project participants. The presence of a project support office will offer refugees access to information and assistance needed if they are to settle outside of the camps. The project support office would also provide the services of a Community Relations Advisor/Ombudsman as described above.

111) Assessment of Refugee Interest and Eligibility for Sub-Project Participation

As part of Stages Three and Four of project design, a series of informal studies will be carried out in target refugee camp areas as outlined in Section IV.C.1.7. These assessment studies will determine the level of refugee interest in various potential sub-projects, and will record the relevant skills and experience of the refugees who express interest in participating. These studies will fulfill several functions: a means of communicating to refugees the scope and conditions of settlement sub-projects, a means of gauging response rates to

various proposed options for settlement, and thirdly, a means of tailoring sub-projects to the interests, skills and experience of refugee participants.

7. Project Impacts and Spread Effects

Project impacts include socio-economic benefits or costs to target populations and indirect or spread effects. Each of these potential impacts will be briefly discussed in turn.

(a) Socio-Economic benefits to target population:

The principal benefits for the refugees who choose to settle with project assistance will be an increased standard of living achieved through agricultural production and/or income-generating opportunities. Social and psychological benefits to refugee participants will be in the cessation of their vulnerable and dependent status which they currently experience.

Over the longer term, refugee participants who settle in Somalia and become economically self-sufficient will have greater chance of integrating into the social and economic life of the country, thus ceasing to be a minority group.

(b) Socio-Economic benefits to non-target population:

The increased production and income resulting from refugee settlement will not only accrue to participants and their immediate families. Given the prevalent and well-documented system of income redistribution practiced by Somali extended families, it is highly probable that a portion of the increased income earned by refugee settlers (most of whom are ethnic Somalis) will circulate through wider groups beyond the refugee settlers (Somalia: A Social and Institutional Profile, A. Hoben et al., USAID/Somalia, 1983; Urbanization and Overtourism in Somalia, H. Lewis et al., USAID/Somalia, 1983). Thus a larger number of families than those who actually participate in the Settlement Project will realize some economic gain if the project is successful.

(c) Socio-economic costs to target population:

The principal direct costs to refugees who participate in the project will be the phased reduction of their food aid. Presently, all officially-recognized refugees are entitled to receive food rations as well as other social services. Since the refugees who choose to settle out of the camps under the terms of this project will have their food rations gradually curtailed, the decision by a refugee family to settle involves a known reduction in food with an unknown risk should their new

hand, this project calls for a phase-out of rations in the camps as well. There is no assurance that the international donor community will continue to provide food aid to refugee camp populations for the duration of the settlement effort. Thus if they continue to expect food rations, a refugee family's decision to stay in the camps is also risky.

There will also be more intangible costs to project participants. These are mainly the social dislocation faced by those refugees who choose to leave the camps where they may have been resident for 6 years or more, in order to relocate to another area. Moreover, refugees now living in camps have their interests protected in some measure by the National Refugee Commission and other agencies working in the camps. This level of protection will be more difficult to ensure once refugees leave the security of the camps and settle in smaller groups in dispersed locations. However, in the final analysis, the costs and benefits to a refugee family of settling outside the camps versus remaining in the camps must be weighed by each individual family. It is therefore critical that project implementation proceeds only after the anticipated costs and benefits of settling are fully appreciated by potential settlers. It is assumed that each refugee family is capable of making a rational decision concerning settlement, provided that sufficient information on which to base a rational decision is made available.

d) Indirect project impacts:

These can be divided into macro and micro socio-economic impacts. The principal macro-economic effects of a successful refugee settlement project are the increased production and income that will be generated by refugee settlers. Any surplus produced by refugee settlers will mean a reduction in food imports, while increased incomes earned by refugee settlers will help stimulate the local economy. Another macro-economic benefit stemming from the project will be the mobilization of part of the refugee labor pool, while those refugees who receive skills training under the project will augment the country's skilled labor force.

Other macro-economic benefits arising from the project include provision of more goods and services by settled refugees, and in the longer term, more competitive agricultural producer prices for local producers, whose produce value is presently depressed by the availability of cheap refugee food rations sold on the open market.

Other indirect socio-economic impacts can be expected at the local community level in which refugee settlement occurs.

Since the project is designed to assist refugees to integrate into local communities, some initial hostility towards the new settlers may be expressed by local inhabitants. This may occur particularly if the refugee settlers are perceived by locals as competing for scarce critical resources -- e.g. land, water, employment opportunities. Such resentment and hostility can be partially avoided if project design and implementation provides for local community compensation in return for local community acceptance of refugee settlers. Over the longer term, the successful integration of refugees into the local economy should reduce community resentment towards the settlers as the latter are more able to make a visible contribution by providing more goods and services to their new settlement areas.

3. Socio-Economic Factors likely to Impede or Promote Project Benefits

The direct and indirect benefits outlined above that could be achieved by the project depend on a number of factors. These factors will often be beyond the control of project implementers, but would nevertheless influence the chances of project success. Briefly, the socio-economic factors include:

a) Local and national level clan-political cleavages

As described earlier in the section on the Northwest, individual rights to claim and use land are dependent on clan-political negotiation, if not actual affiliation. As non-members of local clans, some refugee groups may have difficulty establishing their rights to use land, even though this land may have been allocated for refugee settlement by the State. This may occur despite protective measures built into the Settlement Project, since local political powers can effectively overrule de jure land rights claimed by refugees (as described in Appendix D.1 in the case of previous attempts by refugees to settle on the land).

b) National management capacity

The administrative analysis (Appendix D4) points out that local-level government management and administrative capacities are quite weak in many areas. While the project plans to assist those government agencies that will be charged with implementing the refugee settlement process, much responsibility for administering the project will still rest on these government agencies. If these agencies lack the motivation and capabilities to perform efficiently, the success of the project will be in jeopardy. The eventual design of sub-project administrative structures must build in not only

additional staffing and training components but also incentive programs for local-level government workers who will be required to service sub-projects.

c) Refugee repatriation

The issue of refugee repatriation to Ethiopia, (whether voluntary or involuntary) is highly politicized, involving as it does many different interest groups in the regional and international context. The Refugee Settlement Project is premised on the non-repatriation of many refugees who therefore need to be settled within Somalia. These are the target beneficiaries. However, if political conditions change during the life of the project, some beneficiaries will probably return to their homelands. It is impossible to gauge what proportion of refugees now in Somalia would return to their homes under different political circumstances; however, it is probable that not all will return and there will therefore remain a function for the Refugee Settlement Project.

d) Changes in producer prices

Refugee settlement involving crop production could be seriously affected by future shifts in either crop or livestock producer prices. A sharp increase in livestock prices will render crop production less economically attractive, and refugees settlers may be disinclined to continue growing crops and more inclined to build up their livestock holding. Likewise, a drop in crop prices may have the same effect. The cycle of drought and good rains in this region causes fluctuations in the prices of livestock versus crops: currently crop prices are high following several seasons of poor rain, while livestock prices are depressed due to the terms of trade between grain and livestock. Since livestock production is more reliable in this environment and livestock permit capital accumulation, periods of good rainfall may encourage producers to decrease their crop production (since crop prices will drop) and revert to livestock (which have been bought during periods of high crop prices).

e) Support of local leaders

Since refugee settlement depends upon the integration of refugees into local communities, it will obviously be essential to enlist the support of community leaders in this endeavour. Stage Three of the project design (Rapid Site Assessments) will include consultation with traditional and official leaders at each site investigated. Local leaders must be apprised of the project goals in settling refugees, and consulted on

whether it will be socially and economically feasible to settle refugees in their communities. Their acceptance of the activities must be given before planning of sub-project activities proceeds. If this is not done, local leaders may impede the progress of sub-project activities and through their influence may prevent the integration of refugee settlers in or near their area of control.

f) Customary patterns of mobility

The Somalis, including the majority of refugees, have adapted to their environment by maintaining geographical mobility (as described earlier in this Appendix for the case of northwest Somalia). Though this mobility is often thought of by outsiders as only affecting pastoralists, Somalis who farm crops as well as keep livestock also migrate in different seasons, in order to tend their animals and also sometimes to seek out better farming areas. The majority of the refugees claim to have been both farmers and pastoralists in their homelands. (See Tables D.3.1 and D.3.2). A settlement project demanding full-time residence on the part of economically-active refugee family members will therefore impose conditions on the settlers which may conflict with their mobility and restrict their opportunities to diversify and spread risks by managing both animals and farms.

Environmental Considerations

The extraordinary depletion of natural resources caused by encampment of refugees in Somalia has been a source of concern for several years. AID project have reflected this concern. Most USAID project activities in and around the camps produce positive environmental impacts (tree planting, shelterbelts, efficient stoves, etc.). As activities begin to use a more aggressive approach to resource management (irrigation, charcoal production, water supply, land clearance, road building, etc.) it becomes more difficult to keep track of the efforts. These activities will become more extensive as settlement activities go into effect. With regard to settlement in Somalia, the Spooner Report (June 1984) stated:

It is emphasized that the strategy selected should not only alleviate short-term problems, but should also contribute to a productive systems of natural resource use that will conserve the environment, and maintain the potential of the system so that it can be inherited by future generations in a state that is in no way degraded.^{1/}

Although there seems to be a marked lack of successful example of refugee settlement, there are general regions indicated in the present project where settlement is advocated. The Spooner Report covered one region but cautioned that it is a region in which there was "a rich diversity of potential constrained by a fragile environment". The author also pointed out that the pilot phase of development at Qortoley recommended by GTZ is "sensibly cautious in its approach and demands that the necessary resource surveys be completed before too much is committed to dryland settlement in a risky and fragile environment." We would agree with him that "a viable settlement mode and the conservation of the environmental potential will require a constant monitoring and research capacity that can regularly make changes to, and adapt the settlement and production systems to be employed.

^{1/} B.C. Spooner, Refugee Settlement in the Lower Shabelle Region, Somalia.

A Report to the National Refugee Commission and Save the Children Federation - USA. Mogadishu: NRC/SCF, 1984, p.1.

In the previous USAID refugee projects it was assumed that the implementing agencies would monitor the environmental effects. Most often the agency concerned was a PVO, and given the fact that PVOs are generally environmentally sensitive, no serious problems were expected. However, the previous projects have shown that PVOs have had difficulties in providing environmental reviews or assessments for project activities. This is mostly due to the absence or scarcity of baseline information and the inability of the PVOs to allocate time to collect the kind of information needed. It would be great helping to have such information collected and analyzed by ministries or agencies such as the National Range Agency and the Ministry of Juba Valley Development. However, the agencies and ministries concerned are either already involved in large, time-consuming studies or have too few staff to cope with the immediate environmental problems associated with refugees.

Thus, the main environmental concerns with refugee settlement are: (a) more aggressive activities in terms of natural resource management; (b) the fragility of most regions being selected as settlement areas; and (c) the lack of monitoring capability. In order to resolve these concerns, project design should consider the following:

(1) Guidelines: as indicated in an earlier report to the Mission (Gaudet and Smith, July 1984), engineering and environmental guidelines for proper design of rural projects could apply to most of the activities taken up in the present project. When activities are designed using such guidelines, the environmental review can be kept to a minimum.

(2) Site Selection: once a particular activity has been proposed, the agency implementing the sub-project or RIP must perform an Environmental Review. This is a straight-forward exercise that is described below. It should be pointed out that some activities (e.g. evaluations or training) will not require any in-depth review, while others (e.g. large-land clearance or irrigation schemes, construction, etc.) may require a more extensive review. The final judgment for the degree of review needed will rest with the Mission, based on its review of the sub-project or RIP. If the implementing agency does not have the personnel or resources to carry out the kind of review

needed, the USAID will recommend alternatives (e.g. use of the local Environmental Advisory Committee described below, technical assistance from centrally-funded projects, private corporations under IQCs, etc.)

(3) Monitoring: one of the most important points drawn from prior experience is that the monitoring of environmental impacts is seldom carried out once implementation is begun. Thus, the present project should clearly indicate that expertise now exists in Somalia for short-term monitoring of environmental effects. There is an informal body of expertise now available on a part-time basis. This is the "Environmental Advisory Committee" which is located at the National University under the direction of Professor Ahmed Meye (Dean of the Chemistry Faculty).

In summary, the design of any project for refugee settlement should contain the following sequence of actions to minimize environmental impacts:

1. Sub-project or RIP site selection;
2. Completion of checklist and matrix (if appropriate);
3. Brief environmental statement submitted to USAID Mission;
4. Environmental review completed by implementing agency and submitted to the Regional Environmental Officer prior to Mission approval;
5. USAID review of sub-project or activity paper;
6. Arrangements acceptable to AID for a monitoring program initiated, and;
7. Periodic review of environmental concerns.

Environmental Guidelines and Assessments

Because the activities and sites for the present project have not yet been identified, AID regulations indicate the following: Reg. 16 (Section 216.3 (A)(7)(iii) calls for an environmental review to be completed prior to implementation of each sub-project or activity. Also according to Section 216.3 (A)(7)(v) the aspects of each sub-project or activity for which environmental review will be completed prior to sub-project authorization will be identified by the Regional Environmental Officer (REDSO/USAID, Nairobi).

Assuming the sub-project activities are kept within the range of small-scale activities, USAID environmental guidelines (for water, sanitation, roads, and small-scale irrigation) and engineering guidelines (for site selection, run-off, irrigation, water resources, roads and infrastructure, sanitation, and other related issues) can all apply during the design of sub-projects. This will considerably reduce the amount of work needed at the design level by implementing agencies, because for small-scale activities the degree of assessment for environmental impacts will be less. Large-scale irrigation schemes, for example, will require more intensive, technical assessments which demand more time and money.

Environmental Review

During the design of any activity or sub-project, but prior to final drafting of designs for a given site, the implementing agency or organization must draw up an Environmental review as outlines in AID Reg 16 (available from USAID/Mogadishu). (See Outline provided, below.) In preparation for this they can first complete a Project Planning Environmental Checklist and an Impact Matrix (attached). These last two items are fast and accurate methods of sorting out the most significant impacts. Once these are identified, the review can then concentrate on significant effects, with less attention (if any) devoted to minor impacts. In order to insure that only the significant impacts are addressed, a simple, brief environmental statement should be submitted to USAID. It should state the principle sub-project activities, significant effects expected, mitigating measures proposed, and the approximate date of completion of the review.

Later, when the final activity paper is drafted, the final design must include provisions for: (a) monitoring adverse effects, and (b) environmental review to insure the incorporation of the mitigation measures identified in the sub-project review.

Outline of Environmental Review
Required for Sub-Projects

1. General

The review should provide a full discussion of significant environmental effects expected as a result of carrying out the sub-project activity. It should also include alternatives which would avoid or minimize adverse effects.

2. Content and Form

- a. Summary: This should stress the major conclusions, areas of controversy, if any, and the issues to be resolved.
- b. Purpose of sub-project: a brief statement of the proposed sub-project activities and their scale.
- c. Affected Environment: a description of the sub-project environment which will be affected. Data and analyses should be commensurate with the significance of the activity and expected impacts.
- d. Environmental Consequences: this section should include significant adverse impacts expected as direct (or primary) and indirect (or secondary) effects of the sub-project activity(ies). This section should include a completed Project Planning Environmental Checklist and Impact Matrix (attached).
- e. Alternatives and Mitigation: this section should include an assessment of alternatives (including the no-project alternative) and impacts of alternatives. Also it should include discussion of measures available within the sub-project to mitigate the significant adverse impacts identified in Section "d".

f. Monitoring, Training and Review: this section should discuss in detail how all of the significant impacts will be monitored and how measures will be introduced to adapt the on-going sub-project activities to mitigate or avoid adverse impacts. The Environmental Review should suggest how the sub-project staff or local people can be trained in certain areas of environmental monitoring. The Environmental Review should also spell out how a local Environmental Advisory Committee can be made up of responsible people.

g. List of Preparers and References Cited:

3. Pesticides

In any sub-project or RIP where the use and/or procurement of pesticides is contemplated, the special guidelines must be consulted ("Environmental Assessment for USAID Agricultural Projects in Somalia: Pesticides", Collier and Gaudet, 1982).

Engineering Guidelines for Sub-Project Environmental Assessments

1. Site Development

- Number of persons to be settled
- Number of hectares, per person and total
- Type of agriculture (e.g. rainfed or irrigated)
- Specifics and extent of USAID's participation
- Exact locations
- Viability

Note: Although not of a specific engineering nature, the considerations in (1) above are vital and must precede subsequent technical input).

2. Rainfall and Run-off Data

- For agricultural use
- For re-charging existing water supplies
- For drainage control
- For erosion planning
- For infrastructure design

3. Irrigation Option

- Source or water:
 - Quantity
 - Availability
 - Salinity
 - Dependability
 - Location
- Pumping versus gravity
- Canal cross-section
- Canal flow and volume characteristics
- Permeable or impermeable soils
- Lined versus unlined canals
- Equipment maintenance and/or personnel training
- Reservoirs, dams, gates, etc.
- Economics

4. Water Resource Development

- Surface versus ground water versus deep aquifers
- Geo-Hydro exploration
- Determinations:
 - Availability
 - Location
 - Depth
 - Quantity
 - Salinity
- Quantities needed for domestic use (potable, other)
- Quantities needed for livestock
- Treatment

- Bore-holes versus shallow wells (economics and feasibility)
- Storage
- Distribution versus standpipes versus well points
- Materials (wells, distribution, pumps, etc.)
- Economics
- Re-charging potential

5. Infrastructure (Roads and drainage)

- Extensive soils analysis
- Determination of soils suitability for roads
- Determination of need for coastal (or other) materials
- Drainage study
- Type of drainage facilities
- Erosion potential
- Anticipated traffic (average daily traffic, type of vehicles, loads, projections)
- Road and Drainage design: Standards
Specifications
Materials/Quality control
Monitoring

6. Sanitation

- Type (pit latrines, other)
- Soils permeability
- Individual/family versus communal
- Location
- Contamination potential
- Other health considerations

7. Related Issues

- Housing (type, materials, layout, design, specifications, etc.)
- Future expansion (water, roads, etc.)
- Other utilities (electricity)

- Disposition of surplus agro-commodities (marketing center development, cooperatives, etc.):

- Commodity storage facilities
- Food disposition facilities
- Fertilizer storage/distribution
- Truck loading docks
- Marketing areas (possibly paved)

- Economics

8. Miscellaneous

- Topographic surveys and maps
- Determination of required contour frequency on topographic surveys
- Coordination of available data
- Establishment of AID's role (co-donor or solo)

9. Other

- Past projects and lessons learned
- Equipment/personnel training required
- Availability of personnel, equipment, etc.
- Economics
- Hydrological investigations

APPENDIX D.5

Administrative Analysis

There are multiple differences between this project and the normal Development Assistance project undertaken by USAID. First, the funding source for refugee projects, Migration and Refugee Assistance (MRA), is not the same as Development Assistance (DA) and the Foreign Assistance Act regulations governing DA assistance projects do not apply to projects funded under the Migration and Refugee Assistance Act appropriations. This fact allows for greater flexibility to experiment with different organizational and technical approaches that might not be attempted in a "normal" development project.

Another difference lies in the mixture of the host government international agencies involved with refugee programs. The relief organizations (the NRC, Steering Committee and the UNHCR Branch Office in Somalia) are temporary agencies that will eventually fade out of the picture as refugee problems are solved. In most cases, development assistance projects work with traditional government ministries, not temporary agencies. The refugee settlement project is designed to bridge a gap between development assistance and refugee projects and coordinate a program between temporary and permanent agencies.

The project will support the integration of relief and development assistance through the Steering Committee organization by involvement of regular GSDR development assistance in the settlement process of the projects, and through integration of settlement activities with national development plans. The project also seeks to maximize the involvement of the NRC in the policy development while limiting the necessity for their involvement in the day-to-day operational side of settlement projects. This is to be done by placing these responsibilities with the appropriate line ministries.

The organizational complex that this project will work will consist of the following agencies of the GSDR, UN, U.S. Government and private organizations:

Settlement Steering Committee and Technical Unit (which included UNHCR and UNDP)

- National Refugee Commission
- Ministry of Agriculture
- Ministry of National Planning
- Other key agencies of the GDR - Mins. of Agriculture, Interior, Public Works, National Range Agency
- USAID
- Contractors and PVOs

The reader should keep in mind that there is no ready-made blueprint for coordinating and managing programs of this nature. However, in Somalia we have three years of experience with this type of coordination with refugees in development projects under USAID Self-Reliance and Forestry Projects to guide us. The roles, responsibilities and working relationships as we know and envision them at this point in the project's process are discussed below.

Settlement Steering Committee: Presently the Steering Committee is composed of the National Refugee Commission (Chairman), the Ministry of National Planning, UNHCR and UNDP. This composition is a balance of humanitarian concern with basic national development interests. The responsibility of the Steering Committee is refugee settlement policy development, project identification and project approval. Under the Steering Committee there is a Technical Unit with responsibilities which include the formulation of projects, technical coordination between agencies involved in refugee settlement, reporting on the status of projects to the Steering Committee and project evaluations. The Steering Committee was established in November 1983 but did not fill Technical Unit staff positions (rural settlement specialist, agronomist, hydrologist and physical planner) until mid-1984. The primary focus of the Steering Committee and Technical Unit activity for the past year and a half has been the formulation of a two hundred to six hundred family settlement project in the Lower Shabelle region. Secondary activities of the Technical Unit have been the design of experimental small scale settlement

activities for which they hope to find donor funding, possibly under this project. The responsibility for the implementation of settlement under the Steering Committee is with specific line ministries, contractors, private voluntary agencies and UN special agencies.

The role we propose for the Steering Committee in the settlement project is in line with their scope of activities stated above. Specifically, the Committee would take responsibility for (a) the resolution of all settlement policy issues as they relate to this project and (b) be involved in establishing criteria for project selection and approval. Since the settlement project would generate a number of decentralized sub-projects implemented by line ministries, contractors and PVOs, sub-project approval would be a function of the participating ministries with sub-project agreement (contracts basically but with the option for operational program grants and cooperative agreements) signed between the participating ministry, contractors and USAID. Steering Committee sub-project selection and approval responsibilities would be exercised through their participation with USAID in the establishment of fixed criteria for selection and approval of sub-projects against which all proposals would finally be assessed at the involved ministry level.

Once a sub-project meets the specific criteria for selection and approval, the involved ministry will notify the Steering Committee. If a sub-project met all the criteria established, it would be approved by the line ministry involved on behalf of the Government.

If an exception to one or more of the selection approval criteria is required, the Steering Committee would meet to consider granting the exception.

The Technical Unit's role in the settlement process is primarily in assisting with the establishment of selection/approval criteria, in coordinating sub-project approvals with the Steering Committee, participating ministries, contractors and USAID and in monitoring sub-project progress for the Steering Committee. USAID recommends that the Technical Unit be relocated from UNHCR to the Ministry of National Planning where the Unit will function in the main-line of Somali development planning.

Expanded Steering Committee: As settlement and sub-projects begin to be identified, the chairman of the Steering Committee will extend invitations to involved ministries to act on the Committee in the exercise of their assigned responsibilities. This extended committee membership will include the Ministry of Agriculture, and may include Public Works, National Range Agency, Fisheries Agency, Livestock, Ministry of Interior and others. The expanded membership broadens the scope of the Committee and facilitates coordination of refugee settlement projects between different national agencies. The inter-ministerial coordination and the coordination of refugee projects with the government's five year development plan is the responsibility of the MOA, one of the members of the Steering Committee.

Role of the National Refugee Commission: Aside from the chairmanship of the Steering Committee and the policy level responsibility at the Committee level, the NRC will play a critical role in establishing sub-project selection and approval criteria as the Steering Committee level, in coordination of the selection of settlers, their orientation, setting criteria to determine self-sufficiency, coordinating food aid to settlers, training and conversion to settler status, acquisition of land for settlement, movement of refugees to settlement sites and monitoring/evaluating settlement activities.

Private Voluntary Organizations and Contractors: PVO's have been in the center of refugee activities in Somalia since the early days of the emergency in 1980-81. Once the emergency had passed and camp life established, PVO's began to be involved in a wide range of development activities with the refugees in the areas adjacent to camps. This involvement has been sponsored by UNCHR in many cases, other donors to a limited extent (Japanese, Chinese) and through two U.S. funded refugee projects which have mobilized PVO's in sub-projects in forestry, training, agriculture, small business development, rural works construction and other community development activities.

PVO involvement as partners with government of Somalia agencies has been extensive. For example, PVO's have been working with the National Refugee Commission, Ministry of Agriculture/ Refugee Agriculture Unit, Ministry of Health/Refugee Health Unit, Water Development Agency/Refugee Water Unit, National Range Agency/ Refugee Forestry Project, Ministry of Education/Family

Life Training, etc. Involvement in the settlement project will be a natural transition from the basic self-reliance projects which they are now involved, many would continue working with agencies of the government where they have already established good working relations. Though PVO interest has been high in the prospects for settlement, the project would be open to all other technical service organizations qualified to bid on AID funded projects.

For the most part, PVOs and other contractors will be encouraged to bid on settlement sub-projects which are developed by USAID through the Technical Assistance contractor (discussed later) and in collaboration with the Settlement Technical Unit and NRC. This does not preclude the possibility of non-solicited proposals but we foresee that major sub-projects will be developed as described above following the recommendations which evolve from project technical studies and rapid assessments.

Project Agreement: The Project Agreement between the U.S. Government and the Government of Somalia will be signed with the Ministry of Foreign Affairs, with the responsibility for coordinating sub-agreements between the Steering Committee, national ministries, contractors and USAID, delegated to the MOA.

Grants for the implementation of settlement projects would be signed between the sponsoring ministry, the implementing agency and USAID.

Project Management: Overall project management on the Somali side will be the responsibility of the Ministry of National Planning acting through the good offices of the Steering Committee. Individual sub-project management will be the responsibility of the line ministry involved. On the U.S. Government side, project management will be centered in the office of the Rural Development and Refugee Affairs - with a U.S. direct-hire project officer assigned to provide AID project management. A personal service contractor will assist in day-to-day project management.

This individual will be housed in the MOA with responsibilities to report directly to the USAID Project Manager for the Project. A complete Scope of Work is in Appendix E.

Criteria for Sub-project Selection and Approval: A condition precedent for project authorization would be agreement between USAID and the MOA on criteria for selection and approval of settlement sub-projects. Criteria established for the Refugee Self-Reliance project and the CDA Forestry Project (identical) have been used in the review and approval of more than ten major refugee self-reliance projects in the last two and half years. These criteria have been revised to meet the specific requirements for successful settlement activities. They are presented in section III of this paper.

Sub-Project Review Procedures: A settlement sub-project idea can come from many sources including refugees, PVO's technical services organizations, Steering Committee, USAID, Technical Unit and so on. However, the purpose of the sub-project would focus on the solution of a problem or set of problems peculiar to a region where refugee settlement is planned. Identification of the constraints to settlement in the regions with refugee population will be made as a result of the rapid assessments done under this project. Once a sub-project design has been approved by USAID, the MONP and the Steering Committee, a grant will be signed.

Sub-project ideas would evolve in the form of a Concept Paper -- i.e. brief outline of the proposal, objectives, costs, etc. - and the coordinated by USAID with the MOA and the Steering Committee's Technical Unit using the selection/approval criteria as the basic guidelines. As a rule, those contractors or other agencies wishing to apply for U.S. Government funding will be encouraged to use a standard project outline provided by USAID. In the process of discussing project ideas and criteria for selection/approval, it will be USAID's responsibility to advise the applicant about the appropriate funding device for sub-project or activity. -- i.e. Specific Support grant or Cooperative Agreement. Once the Concept Paper has been reviewed and discussed the contractor would proceed to write the more detailed sub-project proposal.

When a sub-project has been designed it is submitted to the MOA and USAID for review with a covering approval letter from the sponsoring agency. When USAID and the MOA has completed its technical review and the proposal is approved, the Steering Committee is provided a copy of the proposal for their policy review. If there are no policy issues involved with the particular proposal, USAID proceeds with the request for bids proposal.

Once an agreement is signed between the Proposer, USAID and the MOA and project implementation begins, monitoring of project activities will begin with each agency involved following their own standard operating procedure. Conceivably, there could evolve a situation where four or five agencies are performing monitoring on the same sub-project -- i.e. Technical Unit, involved ministry, PVO and NRC Planning Unit. It is obviously unproductive to have so many agencies involved in the same function. Logically the MOA should make the effort to coordinate the monitoring and find a format and report system satisfactory to all concerned.

USAID Project Review: USAID will establish a settlement sub-project committee to:

- Review sub-project proposals prepared by the USAID TA contractor or non-solicited proposals submitted for AID funding.
- Recommend approval or disapproval to the USAID Mission Director who will make final decision on sub-project selection.

The review committee will include but not necessarily be limited to the following members:

- Assistant Director (Chairman)
- REFCOORD
- Settlement Project Officer
- Controller
- Program Officer
- Project Officer
- Others, including GSDR authorities, at discretion of Chairman

This committee may also serve as the Contractor Selection Committee for selection of bids for implementation of sub-projects.

The USAID Project Officer is responsible for assuring that all appropriate USAID staff competence is brought to bear in considering sub-project

proposals. Preparation of sub-project proposal is the responsibility of the contractor and/or Somali agency involved in the sub-project. All proposals will be reviewed in accordance with sub-project selection/approval guidelines established through this project and in accordance with USAID Regulations.

Review Procedures: The time required from receipt of the sub-project for approval or disapproval response from USAID should not exceed four weeks - depending on the complexity of the proposal.

The following procedure will be followed:

- Step 1: The USAID Project Officer, in consultation with the Deputy Director will designate individuals to serve on the review committee. He will distribute copies of the proposal to all members. The distribution memo will contain information on the review committee meeting date, time and place. A special sub-project Review Form will be provided to all committee members.
- Step 2: Review committee members will return the completed Review Form to the Project Officer not later than ten days after receiving the proposal.
- Step 3: The Project Officer will consolidate the data on the Review Form and prepare and distribute an issues paper prior to the review committee meeting.
- Step 4: The review committee meeting will be held and one or the other of the following will be prepared for the USAID Director's action.

-In the case of the review committee requesting that the committee be supplied with additional information or proposal clarifications, a listing of these items will be prepared and the information provided.

-In the case of the review committee recommending approval or rejection of the proposal, an action memorandum containing the recommendation will be prepared by the Project Officer and presented to the USAID Director.

Ministry of National Planning .

The Ministry of National Planning (MONP) is responsible for preparation of national development plans and approval of all new projects. Development strategies are published annually, as well as under three- and five-year projections. Mid-term evaluations are conducted to review future development responsibility for program and budgetary planning within individual ministries, (excepting the Ministry of Defense) transferred to the Department of Planning within the MONP in June 1984. Future plans call for the transfer of responsibility for preparation of the national budget from the Ministry of Finance to the MONP.

The Ministry of National Planning is divided into five Departments: International Cooperation, Technical Matters, Planning, Central Statistics and Administration. A sixth department, Human Resources and Development, was created in mid-1984. Additionally the MONP has two training arms; the Institute of Development Planning and the Institute of Statistics and Applied Economics. Donor inputs in the form of advisors and training assistance have been channeled primarily through the departments of Central Statistics and Technical Matters and the Office of the Director General.

The MONP is one of the ministries represented on the Refugee Settlement Steering Committee. A settlement program implemented through the MONP would ensure that planning for activities under settlement could be incorporated into the program and activities of the relevant line ministries rather than through specialized technical units. Planning and implementation responsibilities for the settlement program could be centered in the Department of Technical Matters and the Department of International Cooperation. The Department of Technical Matters has authority for planning in the industrial sector and social services while the International Coordination Department is charged with program monitoring and evaluation.

Agriculture will put further pressure on these services. Refugee farmers will need technical advice and critical inputs to settle and farm successfully. These services will have to be drawn from the MOA.

Ministry of Interior:

The New formed Ministry of Interior, established in June 1984, includes the former Ministry of Local Government and Rural Development (MLGRD). The work of the ministry is carried out by six departments headed by directors and composed of several services. The Department of Rural Development and Planning is the department most concerned with development functions of local government institutions in Somalia.

The personnel situation at the Ministry of Interior is extremely uneven. At the Mogadishu level there is a paucity of well - trained and highly-qualified professional staff and the problem is compounded by a lack of clerical and administrative personnel to support the professionals. At the local level, the opposite problem prevails. Less than 200 professional staffers are charged with supervising more than 5,000 technical, financial and-clerical workers. And like the rest of the Somali government, the ministry's performance suffers from the effects of grossly inadequate pay scales and overstaffing in many categories.

The Ministry is specifically entrusted with the promotion of economic growth and the organization of rural development activities in the regions. Thus the Ministry seeks to operate on a "bottom up" basis, an approach attributable to the Ministry's unique local government mandate and apparatus.

The major administrative unit of local government is the region, of which there are 17, each headed by a Governor who reports to the Minister. Within each region are several districts, each headed by a District Commissioner (DC) reporting to the Governor. The Governor is also the chairman of the Regional Development Council (RDC), which includes the regional coordinators of the various government services and technical ministries, the DC'S and the heads of the Local People's Assemblies. RDC'S mainly concentrate on reviewing district and regional requests as well as initiating development proposals to the Ministry which are beyond the budget or technical capabilities of the region.

The administrative staff of the Governor is small, and consists of a few financial and administrative semi-professionals and clerks. There are no planners, engineers, economists or other specialists. The technical personnel at the regional level are mainly the regional coordinators of the technical ministries who report to Mogadishu and over whom the Governor has a theoretical authority which varies widely from region to region, depending on circumstances.

As a result of a 1980 law, the major focus of local administration and development has been shifted from the region to the district level. The same law established Local People's Assemblies headed by a chairman or major, a local person who is second only to the DC in terms of local authority.

The Ministry's Department of Rural Development and Planning is one of its most important. Led by a Director, the Department is composed of four services, i.e., Planning and Project Formulation, Monitoring and Evaluation, Administration and Liaison, and Training and Research. Its functions are to:

- o Identify economic needs and priorities at the regional level;
- o Backstop the implementation of rural development projects and assure the necessary financing; and
- o To monitor self-help projects and keep records on projects plans and performance.

Staffing of the Department is grossly inadequate both in numbers and quality. Other than the Director, the Department has just eight professional staff as of late 1983, only five of whom were college graduates, and three of these were seconded from other ministries. For example, the Planning and Project Formulation Service was manned by one professional, yet it is charged with reviewing all of the projects which flow in from the districts and regions. Other services within the Department operate under similar constraints. Nor are funds or fuel usually available to carry out work in the field. Lack of staff, office facilities and operating funds creates a major discrepancy between the Ministry's mandate and its performance. Much the same problem applies to the work of its regional and district offices, where an undermanned professional staff tries to supervise a small army of petty officials.

APPENDIX E

Scopes of Work

The Project Coordinator

The position is that of Project Coordinator (PC) for Refugee Settlement, within the Division of Rural Development and Refugee Affairs (RD/RA), USAID/Somalia.

The PC works under the supervision of, and reports to, the direct hire Project Manager for the Refugee Settlement Project, and reports on a day-to-day basis to the Ministry of Agriculture.

The main function of the PC is to assist in the monitoring and supervision of all activities pertaining to the Refugee Settlement Project. More specifically, the PC will (1) serve as liaison between the USAID Mission, the Ministry of Agriculture and and (2) initiate and actively pursue necessary implementation actions pertaining to the Project.

Liaison Responsibilities:

The Project Coordinator will:

1. Report on a day-to-day basis the Ministry of Agriculture, Planning (MONP).
2. Work closely with an assigned MOA counterpart.
3. Serve as liaison between the USAID Mission, the MOA, the NRC, and GSDR line ministries responsible for sub-project settlement activities.
4. Serve as liaison between the technical assistance teams (responsible for design, implementation, evaluation, studies) and the institutions responsible for the Project (USAID, MONP, Steering Committee).

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6. Arrange for meetings, conferences, briefings, etc., as necessary, to fulfill above liaison responsibilities.

Implementation Responsibilities:

The Project Coordinator will:

- 1. Be responsible to the MOA for all operational and logistical matters pertaining to Project management.
- 2. Visit Project field sites at least once every three months to monitor sub-project implementation progress.
- 3. Serve as counterpart advisor to the MOA official responsible for the Project on behalf of the GSDR.
- 4. Prepare and process authorizing documents required by AID to initiate Project actions.
- 5. Write scopes of work for technical assistance teams designated to design, implement, evaluate, or study Project activities.
- 6. Assist USAID and the MONP select technical assistance teams to carry out specified functions.
- 7. Assist in the supervision and monitoring of selected technical assistance teams.
- 8. Prepare USAID-required progress reports, and maintain working files relating to Project activities.

Experience and Qualifications Required:

The Project Coordinator must have the following qualifications:

- 1. A minimum of 3-5 years' experience managing rural development projects in Africa.

Several constraints exist within the MONP which must be rectified before a settlement project can begin. Firstly, clarification on planning roles and responsibilities between the ministries may not give up easily their function or loyalty to the ministry in which they work. The MONP has had little previous experience in implementing and monitoring development projects. As implementing partners with USAID, the MONP would require sufficient staffing capacity to monitor activities in the field as well as in Mogadishu. Further assessment of available manpower and training needs within the MONP -- is necessary before a decision on making the MONP the implementing partner for this project is taken.

Ministry of Agriculture:

The Ministry of Agriculture (MOA) supplies several support services to the crop agricultural sector. These are:

- Research activities under the Agricultural Research Institute;
- Extension and training, seed multiplication and production, and credit, under the Department of Production and Extension;
- Plant protection and pest control under the Department of Plant Projection and Locust Control;
- Land and irrigation water development under the Department of Land and Water Use;
- Tractor-hire service, import and distribution of fertilizers, seeds and chemicals under the direction of the Farm Machinery and Agriculture Services Organization (ONAT), and
- Marketing and credit facilities for food grains and oil crops under the Agricultural Development Agency (ADC),

2. A working knowledge of AID procedures and regulations.
3. A minimum of 2 years' experience working within a host country Government on rural development activities.
5. The ability and willingness to take the initiative, and to seek practical solutions to problems. The ability to work well with host government officials.

Administrative Coordinator/Hargeisa

Under the direct supervision of the Division Chief, USAID, RD/RA, the Northwest will do the following:

1. Assist RD/RA or his designee in the development of Refugee socio-economic development, care and maintenance projects;
2. Monitor performance and assist in evaluation of State RP and AID funded refugee development, care, and maintenance projects (i.e. Food for Work Project, Food distribution and end use, water availability, and health services);
3. Prepare reports concerning refugee assistance projects, identifying problem areas, and suggesting remedial action to be taken;
4. Act as liaison between USAID and representatives of the National Range Agency (NRA) and/or the National Refugee Commission (NRC), PVO's, and the UNHCR with respect to the implementation of U.S. funded refugee assistance projects and activities.
5. Update records on refugee movement and report on port operations and socio-economic conditions in the refugee camps;
6. Assist as necessary in limited refugee-related research and study projects;
7. When warranted, offer analysis of specific issues which may effect U.S. supported refugee projects and activities;
8. Carry out the above-listed tasks, while maintaining close liaison with the AID Management Field Support representative in Hargeisa;
9. Assist or stand in for the above mentioned Management Office representative as necessary' and
10. While Refugee Affairs remain the Contractor's first priority, the Contractor will also serve as a focal point for other U.S.G. or USG-supported personnel on TDY in the Northwest Region, and provide services as follows:
 - a. Assist in procuring accommodations
 - b. Assist in establishing Contact with GSDR Officials;
 - c. As time and regular duties permit, represent other Mission elements in the Northwest;
 - d. As available, provide limited vehicle support if so requested;
 - e. Serve as a point-of-contact for travel by other members of the Mission to the Northwest Region, Coordinate information as necessary with local security services (primarily the police), and inform the Mission of travel conditions and whereabouts of U.S. travelers in that area; and
 - f. Carry out, as required, minor procurement duties in Djibouti.

Consultant on Small Business Development

Tasks:

1. Review all studies, consultancy reports, etc., relating to small business and artisan development in Somalia. Small business here refer to any productive activity involving processing or manufacturing commodities either imported or produced in Somalia. Artisanship here refers to skilled manufacturing using labor-intensive methods. Service activities such as hawking, shop-keeping or performing other services for the public are not here included as small business activities. The consultant will compile and summarize the results of all reports which deal with small business and artisanship activities in Somalia.
2. Review and evaluate the productive activities sponsored under the Refugee Self Reliance Project (USAID/Somalia) which have involved artisans and small business development, noting factors which have contributed to the success or failure of small enterprise development among refugees.
3. The consultant will draw up a list of activities which have either proved successful in the past (among refugees and local Somalia) or which on the basis of the review conducted in (1) above, appear to have a strong market demand, for which refugees have suitable skills and for which there are available inputs.

Time Required for Study

It is anticipated that this study can be completed in 4-6 weeks, and may not involve any collection of new data.

Skills and Experience Required

The consultant must have experience in compiling and reviewing documents and summarizing the results for planning purposes. Some knowledge of the business environment in Somalia would be an advantage, as would be a background in small business management either in Somalia or elsewhere in Africa. Good writing and summarizing skills are required. No formal qualifications are necessary. To speed up the work of both the review and rapid assessments, more than one person with the above skills could be hired, to do identical tasks in different business sectors.

Anthropologist, Rapid Site Assessments

Tasks:

At each site visited, to:

1. Determine the social feasibility of settling refugees, taking into consideration the social and community structures of the existing population within the site area, the ethnic and social background of the refugee settlers, and problems likely to be encountered by refugees in adjusting to local social/community organization.

2. Assess the economic feasibility of settling refugees, taking into consideration the previous economic systems of the refugees compared to the economic systems practiced by the population at the site.
3. If under-utilized land is identified, to hold discussions with local community leaders and residents, to ascertain whether this land could be made available for refugee settlement, and if so, what conditions and/or compensation would be demanded by the local community in return.
4. To check with the District and Regional Agricultural Coordinators as to what land is already registered or in process of being registered, and to verify this information by asking local community leaders about land claims in the site area.
5. To assess what, if any, further social feasibility studies would be required prior to planning sub-projects at that site, and if these are required, to provide terms of reference for the studies.
6. To incorporate all the information and assessments made at each site into a report to be jointly prepared with the land use planning and agricultural team members of the Rapid Site Assessment Team.

Experience and Qualifications Required

The anthropologist should have field experience working in the semi-arid areas of Africa among agro-pastoralists and should have previously participated in rapid assessment studies. Experience working in Somalia is an advantage but is not essential. Familiarity with interdisciplinary work is required. A graduate degree in anthropology specializing in economic and land tenure issues is essential. Depending on the number of sites identified as high potential and on their size, it might be necessary with a large number to have two anthropologists working, each in a different region.

Land Use Planner, Rapid Site Assessments

The major tasks of the Land Use Planner, working in conjunction with the Agronomist and Anthropologist, at each high-potential site visited are to:

1. Determine the major land use patterns within and around the possible site and assess the intensity of each land use type. This will help in the determination of whether there appears to be under-utilized land which could be developed by the settlers:
2. Determine the land area needed for households, administrative social service buildings, the requirements for and the number and size of wells, boreholes needed to support the new community:
3. Determine the length and specifications of a minimal all-weather road connecting the community with the national road network:
4. With the Agronomist, determine how much land is needed for crop production, pastorage and fuel per family: and

5. With the Anthropologist, determine what relationships with the local population are best for the harmony of the communities and what the means are for creating that relationship.

Qualifications must include field experience in Africa, working with rural communities and experience in the establishment of new communities in rural areas. This experience should be the analysis and design of work plans for such communities. Academic qualifications are not of great importance, whereas successful experience is.

Agronomist, Rapid Site Assessments

The major tasks of the Agronomist participating in the Rapid Site Assessments are to:

1. Determine the feasibility of establishing a relatively self-sufficient farming community on selected site, through examination of:
 - a) Field potentials by crop,
 - b) Inputs required for production, and
 - c) Required levels of natural resources (e.g. land per family, water supply):
2. Determine what crop mix and livestock mix is appropriate for the site being studied and indicate the methodology for carrying out production (i.e. farming systems):
3. When a farming system is identified, help formulate an organizational framework for the community which assists in the implementation of that farming system:
4. Determine the amount of land to be cleared, the best means of clearing it, and whether any other basic infrastructure assistance is needed for the envisioned farming system: and
5. Work closely with other team members to determine skills and training requirements of new settlers and to determine the most effective use of available resources.

The Agronomist should have a degree in agronomy. Long-term work experience with dryland farming in developing countries is essential, with skills in planning and designing appropriate farming systems for basic, labor-intensive, rainfed agriculture.

Appendix F

BUDGET FOR PSC

	<u>Year 1</u>	<u>Year 2</u>
1. Base Salary	40,000	40,000
Post Differential	10,000	10,000
Sunday Differential	2,000	2,000
2. DBA (2.25 of 1)	1,170	1,170
FICA (7.12 of 1)	3,702	3,702
Tickets, per diem, shipping	16,270	
Education Allowance	5,000	5,000
Emergency Travel	2,500	2,500
Miscellaneous	750	750
4. Total Direct	81,392	65,122
5. PSU	58,000	15,000
6. Furniture, appliances	100,000	
7. Project monitoring, travel, per diem (in-country)	6,000	6,000
8. Total PSC	155,392	86,122

**Site Assessment
Comparative Costs for PSC as IQC
Contracting Method**

I. Team of PSCs

A. Personnel		
Team Leader	45 @ 225/day	\$10,125
Economic	45 @ 200/day	9,000
Social Scientist	30 @ 150/day	4,500
Technical Specialist	30 @ 150/day	4,500
Sub-Total		\$28,125
B. Other Direct Costs		
International Travel	4RT 1)-Mog @ 3,500	14,000
Per Diem: 75 days at 50/day		3,750
75 days at 35/day		2,625
Data Processing		1,000
Materials/Supplies		800
Clerical Support at Post	200 hrs x 750/hr	1,500
Printing/Copies		1,500
		<u>\$25,175</u>
Sub-Total		\$53,300

II. IQC

A. Personnel		
Team Leader	45 x 225 x 2.2	22,275
Economist	45 x 200 x 2.2	19,800
Social Scientist	30 x 150 x 2.2	9,900
Technical Specialist	30 x 150 x 2.2	9,900
		<u>61,875</u>
B. Other Direct Costs	Same	25,175
C. DBAI		1,000
Sub-Total		\$88,050

1. Estimated sign of team is from individuals. Assumed 45 days for three people and 30 days for two others to assess at least two sites in two different regions.

COSTS OF SHORT-TERM TECHNICAL ASSISTANCE

	<u>1 Person-months</u>
Salary (\$200/day x 6-day week)	\$6,240
Fringe (7% of salary)	437
1. Total Salary and Fringe	6,677
DBAI (2.25% of salary)	140
Tickets	2,700
Per Diem (40/day)	1,120
Miscellaneous	500
Overhead (40% of 1)	<u>2,671</u>
2. Total Direct and Overhead	\$14,008
General & Admin. Charges (12% of 2)	<u>1,681</u>
3. Total Direct, Overhead, G & A	<u>\$15,689</u>
Profit (8% of 3)	<u>1,255</u>
Total:	\$16,944

PROCUREMENT CONSIDERATIONS FOR ACTIVITIES
UNDER THE REFUGEE SETTLEMENT PROJECT

(649-0140)

Funding for the Refugee Settlement Project comes from funds appropriated to the Department of State and transferred to AID under the authority of the Migration and Refugee Assistance Act of 1962 (the MRA). In 1982, when funds were appropriated for this and other refugee assistance activities, the Agency developed policy and program guidelines for the use of Refugee funds. Bearing in mind that the MRA does not contain any of the special procurement requirements of the Foreign Assistance Act, such as source and origin requirements, and bearing in mind that the MRA provides that the President may determine that funds authorized under the Act may be spent without regard to provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the U.S. Government AID/W's policy and program guidelines attempted to apply traditional AID procurement rules and policies without unduly hampering the administration of MRA funds. As the guidance provides, "prudent management requires...that the basic principles which govern the design and implementation of traditional AID assistance projects should be the guidelines for the design and implementation of activities which are to be financed with the transferred funds." (Policy and Program Guidelines for Africa Resettlement Services and Facilities Project 698-0502, 1982). However, recognizing that flexibility might be required in specific instances, AID/W further advised that "the key to procurement for the (Refugee) projects is what is necessary to permit timely and effective implementation. If this can be done by following AID procurement procedures then follow them. If it cannot be done, then such procedures may be modified." (82 STATE 319562).

The Policy and Program Guidelines developed by AID/W for earlier projects funded through the MRA advised following the procurement policies and procedures set forth below:

1. Procurement source/origin and nationality:
Apply in order of preference as follows:
 - a. United States (Code 000)
 - b. Host Country or Geographic Code 941
 - c. Geographic Code 935
2. Ocean shipping
 - a. Cargo preference applies
3. Procurement Procedures
 - a. Handbook 11 for host country contracts
 - b. AAR and FAR procedures for direct contracts.

These guidelines will be followed in the Refugee Settlement Project, with the following modifications:

- a. A decision to procure from other than the U.S. must be documented in project files showing how the order of preference was applied.
- b. A decision to procure from countries other than the United States, Somalia, or countries included in Code 941 is to be based on a justification substantively conforming with the source/origin/nationality waiver criteria set forth in Chapter 5 of Handbook 1, Supplement B, and approved by the Mission's Project Committee.
- c. Efforts will be made to utilize grant instruments to the maximum extent appropriate under law, and formats developed by the mission for grants and cooperative agreements using Refugee funds will be used.

The Policy and Program Guidelines developed by AID/W for earlier projects funded through the MRA advised following the procurement policies and procedures set forth below:

1. Procurement source/origin and nationality:
Apply in order of preference as follows:
 - a. United States (Code 000)
 - b. Host Country or Geographic Code 941
 - c. Geographic Code 935
2. Ocean shipping
 - a. Cargo preference applies.
3. Procurement Procedures
 - a. Handbook 11 for host country contracts
 - b. AAR and FAR procedures for direct contracts.

These guidelines will be followed in the Refugee Settlement Project, with the following modifications:

- a. A decision to procure from other than the U.S. must be documented in project files showing how the order of preference was applied.
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 - c. Efforts will be made to utilize grant instruments to the maximum extent appropriate under law, and formats developed by the mission for grants and cooperative agreements using Refugee funds will be used.
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d. If deviations from AID'S procurement procedures are required for project implementation, such deviations will be approved by the Mission Director or Acting Mission Director after consultation with the Project Committee and clearance by the Mission Contracts Officer and the HIA.

Listed below are statutory criteria applicable generally to FAA funds, and criterial applicable to individual fund sources: Development Assistance and Economic Support Fund

A. GENERAL CRITERIAL FOR COUNTRY ELIGIBILITY

1. FAA Sec. 481(h) (1); FY 1986 Continuing Resolution Sec.

527. Has it been determined or certified to the Congress by the President that the government of the recipient country has failed to take adequate measures or steps to prevent narcotic and psychotropic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971) which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally, within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?

NO

2. FAA Sec. 481(h) (4).

Has the President determined that the recipient country has not taken adequate steps to prevent (a) the processing, in whole or in part, in such country or narcotic and psychotropic drugs or other controlled substances, (b) the transportation through such country of narcotic and psychotropic drugs or controlled substances, and (c) the use of such country as a refuge for illegal drug traffickers?

N/A

3. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? N/A
4. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government, agencies or subdivision) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligation toward such citizens or entities? N/A
5. FAA Sec. 620(a), 620(f), 620(d); FY 1986 Continuing Resolution Sec. 512. Is recipient country a Communist country? If so, has the President determined that assistance to the country is important to the national interests of the United States? Will assistance be provided to Angola, Cambodia, Cuba, Iraq, Syria, Vietnam, Libya, or South Yemen? Will assistance be provided to Afghanistan without a certification? NO
6. FAA Sec. 620(i). Has the country permitted, or failed, to take adequate measures to prevent the damage or destruction by mob action of U.S. property? N/A

7. FAA Sec. 620(1) : the country failed to enter into an agreement with OPIC? N/A
8. FAA Sec. 620(o) Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters? NO

(b) If no, has any deduction required by the Fishermen's Protective Act been made?
9. FAA Sec. 560(g); FY 1986 Continuing Resolution Sec. 518. (a) Has the government of; the recipient country been in default for more than six months on interest or principal of any AID loan to the country? (b) Has the country been in default for more than one year on interest or principal on any U. S. loan under a program for which the appropriation bill (or continuing resolution) appropriates funds? NO
10. FAA Sec. 520(s). If Contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) N/A

11. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? N/A
12. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.) N/A
13. FAA Sec. 620A. Has the government of the recipient country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? N/A
14. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1950, that an airport in the country does not maintain and administer effective security measures? N/A

15. FAA SEC. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA?

N/A

16. FAA Sec. 669, 670, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or donated a nuclear explosive device? (FAA sec. 620E permits a special waiver of Sec. 669 for Pakistan.)

17. FAA SEC. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported illegally (or attempted to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device?

N/A

18. ISDCA of 1981 Sec. 720. Was

N/A

the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.)

19. FY 1986 Continuing Resolution Sec. 541.

Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

Are any of the funds to be issued to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

NO

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

NO

20. FY 1986 Continuing Resolution.
Is the assistance being made available to any organization or program which has been determined as supporting or participating in the management of a program of coercive abortion or involuntary sterilization?

NO

If assistance is from the population functional account, are any of the funds to be made available to family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services?

NO

21. FY 1986 Continuing Resolution Sec. 529. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States?

22. FY 1986 Continuing Resolution Sec. 513.
Has the duly elected Head of Government of the country been deposed by military coup or decree?

NO

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it demonstrate that contemplated assistance will directly benefit the needy.

N/A

2. Economic Support Fund
Country Criteria

FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violation of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

N/A

5C(2) PROJECT CHECKLIST

Listed below are statutory criterial 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 ESP.

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

A. GENERAL CRITERIA FOR PROJECT

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

Notification

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

Congressional Notification not required

2. 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?

N/A

3. 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 the principles, standard, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1982, et seq.)? (See AID Handbook 3 for new guidelines) Yes, the substance of the Standards and criteria will be met by analyzes required in sub-project Proposals
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 Assistance Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N/A
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not executed? Information and conclusion whether assistance will encourage regional development programs. N/A
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 cooperative, 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. N/A

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). N/A
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. The host country and project beneficiaries will be contributing a substantial share of project costs in local currencies. No U.S. owned local currencies and available.
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? N/A
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? N/A
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. producers of the same, similar or competing commodity? The assistance is not for the production of any commodity for export

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
14. 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)? N/A
15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? NO
16. 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 organization which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women.)? N/A

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 cooperative,
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 women in the
national economies of
developing countries and
the improvement of women's
status, (e) utilize and
encourage regional
cooperation by developing
countries?

N/A

- b. FAA Sec. 103, 103A, 104
105, 106. Does the
Project fit the criteria
for the type of funds
functional account)
being used? N/A
- 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)? N/A
- 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)? N/A
- 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? N/A

f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organization 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 insure that the ultimate beneficiaries are the poor majority?

N/A

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

N/A

2. Development assistance Project
Criteria (Loans Only)

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

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 non-proliferation policies consistent with those of the United States?

- d. 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?

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? N/A

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President under delegation from him?? N/A

3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., Will commodities be insured in the United States against marine risk such a company? N/A

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed; is there provisions against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A

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FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FAA and which are otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms compete for construction or engineering services financed from assistance programs of these countries?

N/A

6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?

N/A

7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, non-competitive with private enterprise, and made available without undue interference with domestic programs?

N/A

8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?

9. FY 1986 Continuing Resolution Sec. 584. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

Direct AID contracts will contain this provision.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used?

N/A

2. FAA Sec. 601(d). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

N/A

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$ 100 million (except productive enterprises in Egypt that were described in the CP)?

C. Other restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum, during grace period and at least 3% per annum thereafter? N/A

2. FAA sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A

- 2 3. FAA Sec. 620(a). Do arrangements exist to insure that United States foreign aid ~~is not used~~ in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? N/A

4. Will arrangements preclude use of financing:
 - a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec. 526. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo Yes

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Sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions?

- b. FAA Sec. 488. To reimburse persons, the form of cash payments, whose illicit drug crops are eradicated? N/A
- c. faa sec. 620(g). To compensate owners for expropriated nationalized property? N/A
- d. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? N/A
- e. FAA Sec. 662. For CI activities? N/A
- f. FAA Sec. 636(i). For purchase, sale long-term lease, exchange or guaranty of sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? N/A

- g. FY 1986 Continuing Resolution, Sec. 503.
To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes
- h. FY 1986 Continuing Resolution, Sec. 505.
To pay U.N. assessments, arrearages or dues? Yes
- i. FY 1986 Continuing Resolution, Sec. 506.
To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? Yes
- j. FY 1986 Continuing Resolution, Sec. 510.
To finance the export of nuclear equipment, fuel, or technology? Yes
- k. FY 1986 Continuing Resolution, Sec. 511
For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes
- l. FY 1986 Continuing Resolution, Sec. 516.
~~To be used for publicity~~ or propaganda purposes within U.S. not authorized by Congress? Yes