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INFO.

FROM - USAID/MOGADISCIO

SUBJECT - **Abbreviated Noncapital Project Paper (PROP)**

REFERENCE - **STATE 51125**

Country: **Somali Democratic Republic**

Project No. **649-52-520-037**

Submission Date: **April 24, 1970**

Original X Revision \_\_\_\_\_

Project Title: **Mogadiscio Water Supply**

U.S. Obligation Span: Grant FY 62 through FY 71  
Loan FY 67 through N/A

Physical Implementation Span: FY 62 through FY 74

Gross life-of-project financial requirements:

U.S. Dollars:

a. Development Grant	1,077,000
b. Loan	8,500,000

Cooperating country cash contribution:

10% of project cost	957,700
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OTHER AGENCY

*State*  
*DT*  
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AID AND OTHER CLEARANCES

**AD/George** \_\_\_\_\_

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## ABBREVIATED NONCAPITAL PROJECT PAPER:

MOGADISCIO WATER SUPPLYI. SETTING & ENVIRONMENT

This project was started in 1962 to provide a water supply system for Somalia's capital city of Mogadiscio. In 1963 it was decided that prior to any commitment on loan funding of the project additional explanation was necessary to verify the existence of sufficient groundwater in the Mogadiscio area to meet the demands of the proposed system. A contract was let with Hydrotechnic Corporation of New York for a drilling and exploration program which was completed in August, 1965. Their report concluded that there was sufficient groundwater in the dunal area north of Mogadiscio which could satisfy the requirement of the city for some years to come. However, the report called for some additional exploratory drilling and test pumping which would be necessary before the definite layout of the well field could be made. With this in mind it was decided to conduct the remaining portion of this project in two phases. The first phase would involve the drilling of production wells and the design of the overall system and a contract for a management team to advise and assist the Water Agency. The second phase would be the construction of the water pumping and storage facilities and the distribution system throughout the city.

When the feasibility study was evaluated, it was decided that there appeared to be sufficient supplies of potable under ground water in the area between Km 5 and Km 15 on the Balad road. This supply was judged to be adequate until at least 1990. Following the feasibility study AID offered to loan-finance, with \$8.5 million, the project to develop the known water reserves along the Balad Road and to construct a new distribution system for Mogadiscio. The loan was conditional on two main points: (1) That an autonomous agency be established to manage and operate the proposed new water supply and (2) that the Somali Government make a contribution equivalent to ten percent of the project cost for the purpose of assisting to meet local shilling costs. AID also offered to grant-finance through June 1971 the operation of a reputable firm of management consultants whose role would be to assist the proposed agency in establishing themselves on modern business lines. It was also agreed that if the services of the consultants were required after June 1971, their charges would be met from the loan.

A contract was signed with Orr, Scholen, Mayeron in early 1966 to provide assistance in establishing the necessary legal basis for the Water Agency which would be the recipient of the two step AID loan and would be

responsible for complete operation of the water system after construction. A team visited Mogadiscio and prepared a revision to the draft law establishing the autonomous Mogadiscio Water Agency.

The Mogadiscio Water Agency was established as an autonomous body by the Mogadiscio Water Agency Law No. 2 of December 11, 1967, and on January 8, 1968, a loan agreement was signed between the U.S. and the Somali Governments. In February 1968, the Water Agency signed a contract with Parsons Corporation of Los Angeles giving Parsons the primary job of developing the well field and designing the distribution systems. They commenced their activities in September, 1968.

In May 1968, the Middle West Service Company of Chicago was contracted to assist the Water Agency in establishing and initially operating the water supply utility. Their personnel began arriving the following June. In early 1969, the Somali Government and AID decided there would be significant advantage for the management and operation of the Chisimaio water utility to be handed over to the then Mogadiscio Water Agency. It was subsequently agreed that MWA would take over the utility and this was enabled by legally changing "Mogadiscio Water Agency" to "National Water Agency" some short while later the MWA agreed to accept the responsibility for the management and operation of the electric utility as well.

## II. PLANNED TARGETS, RESULTS, AND OUTPUTS

The project consists of (1) engineering services required to design and equip transmission services, storage reservoirs and a distribution system, and to drill and develop a productive well field and undertake exploratory drilling for system reserves; (2) construction of all transmission, treatment and distribution facilities and completion of a well field; and (3) management services during the establishment and initial operation of the MWA and training for Somalis to operate, maintain, and manage the system. Completion of Parsons' portion of work is now scheduled for February 1972. Middle West is scheduled to the spring of 1974 or 1 1/2 years after full operation of MWA.

## III. COURSE OF ACTION

To date general accomplishments are:

- (1) The National Water Agency has been established.
- (2) Testing of water resources has been substantially completed and nine of the planned 18 production wells have been drilled.
- (3) Five key personnel of the Water Agency have been hired and all in on-the-job training status.

- (4) Various systems and procedures manuals have been drafted.
- (5) Bids for construction of administration buildings have been invited.
- (6) Agreement reached on text of revised enabling ~~legislation~~ legislation.

Outstanding considerations are:

- (1) Alternate uses of management consultants including assignment to the Chisimaio utility.
- (2) Improving effective cooperation between the Water Agency and the Somali Government in such matters as access to construction sites, ~~equipment~~
- (3) Means of speeding engineering decisions to prevent further project delay. It has been suggested that the date that both the physical plant and company organization become operational simultaneously ("start-up date") currently is February 1972.
- (4) Enactment of new enabling ~~legislation~~ legislation.

The Mogadiscio Water Agency in its present non-operating status incurs costs, exclusive of construction and consultants, of \$40,000 to \$50,000 annually. It has 15 employees which include five key personnel on its payroll. Annual consultant costs are approximately \$200,000. This was balanced against plans which estimate an operating staff of 400 to 425 personnel but hiring of the bulk of these will not occur until start-up is imminent or April 1972. Middle West presently has some procedural drafts and manuals in process, many of which are substantially completed. Key personnel have for the most part been hired. The work that Middle West can do between now and the time to begin timing and training the rank and file personnel of the Water Agency includes:

- (1) Continuance of training key personnel (all five of them).
- (2) Continuing write-up work on systems and procedures.

To better utilize consultant personnel, contract amendment is planned to permit Middle West personnel to assist the Chisimaio water and power operations. This will provide useful on-job experience to Agency personnel. Consideration may be given to reducing Middle West field personnel with emphasis on completing the manuals and procedural write-ups in the consultants home offices, using personnel with field experience.

Parsons' actual or estimated percentage of work completed to date on the various phases of the contract are as follows:

Phase I	Criteria Development	100% completed of 5% total
Phase II	Hydrogeological Study	100% completed of 25% total
Phase III	Construction of production wells	10% completed of 18% total
Phase IV	Final Design	90% completed of 26% total
Phase V	Construction supervisor	5% completed of 26% total.

Phase V which consists of construction supervision will not begin until the support facilities are contracted to a Mogadiscio contractor bids for which have been invited. As mentioned, final design is awaiting AID and Water Agency agreement on well drive system to be adopted. Pumps and prime movers and well-field piping will be ordered to be on site by September 1970. The construction of the water system will commence in June or July of 1970 and optimally will be completed in February 1972.

No grant funding of the Middle West Services contract is programmed beyond June 30, 1971. After that time the contract will be funded under Mogadiscio Water Supply Loan 649-II-005.

HANSEL