

698-0410.36  
Africa Regional  
POULTRY DEVELOPMENT  
(SOMALIA)  
Pro Ag  
FY 81

Project Grant Agreement

Dated May 20, 1981

Between

Somalia

And

The United States of America, acting through the  
Agency for International Development ("A.I.D.").

Article 1 : The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2 : The Project

SECTION 2.1 Definition of Project.

The Project, which is further described in ANNEX 1, WILL CONSIST of a program to assist backyard chicken farmers by making improved stock, feed, technical assistance and medications available to them. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.3, without formal amendment of this Agreement.

Article 3 : Financing

SECTION 3.1 The Grant.

To assist the Grantee to meet the costs of carrying out the Project, A.I.D., (in furtherance of the Alliance for Progress and) pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed five hundred thousand United States ("U.S.") Dollars (\$500,000) ("Grant").

Except as A.I.D. may otherwise agree in writing, the Grant may be used only to finance foreign exchange costs, as defined in Section 6.1, of goods and services required for the Project.

SECTION 3.2 Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$815,000, including costs borne on an "in-kind" basis.

**SECTION 3.3 Project Assistance Completion Date.**

(a) The "Project Assistance Completion Date" (PACD), which is May 30, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

**Article 4 : Conditions Precedent to Disbursement**

**SECTION 4.1 First Disbursement.**

Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. :

(a) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.3., and of any additional representatives, together with a specimen signature of each person specified in such statement.

**SECTION 4.2. Additional Disbursement.**

Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. :

(a) Approval of PL 480 Title I funds necessary to cover the local renovation costs for the farm at Km. 13 and for the technician's housing.

(b) An inspection of the upper farm which indicates that the farm has been thoroughly cleaned and is ready, apart from minor repair work, to receive chicks.

**SECTION 4.3 Notification**

When A.I.D. has determined that the conditions precedent specified in Section 4.1 and 4.2 have been met, it will promptly notify the Grantee by Implementation Letter.

**SECTION 4.4 Terminal Dates for Conditions Precedent.**

(a) If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

**Article 5 : Special Covenants**

**SECTION 5.1 Project Evaluation**

The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter :

(a) evaluation of progress toward attainment of the objectives of the Project as specified in the Project Paper.

**Article 6 : Procurement Source**

**SECTION 6.1 Foreign Exchange Costs.**

Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 or Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

**Article 7 : Disbursement**

**SECTION 7.1 Disbursement for Foreign Exchange Costs.**

(a) After satisfaction of conditions precedent, the Grantee may

obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon :

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters,

(A) requests for reimbursement for such goods or services, or,

(B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

#### SECTION 7.2 Other Forms of Disbursement.

Disbursements of the Grant may also be made through such other means as the Parties agree to in writing.

#### SECTION 7.3 Rate of Exchange

Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Somalia by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Somalia at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Somalia.

#### SECTION 8.1 Communications.

Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses :

To the Grantee :

Mail Address: Ministry of Livestock, Forestry and Range  
Mogadishu, Somalia

To A.I.D. :

Mail Address : USAID  
c/o American Embassy  
Mogadishu, Somalia

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

**SECTION 8.3 Representatives.**

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Director General and A.I.D. will be represented by the individual holding or acting in the office of Project Manager, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

**SECTION 8.4. Standard Provisions Annex.**

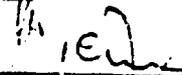
A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

**SECTION 8.5. Language of Agreement.**

This Agreement is prepared in both English and Somali. In the event of ambiguity or conflict between the two versions, the English Language version will control.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

SOMALIA

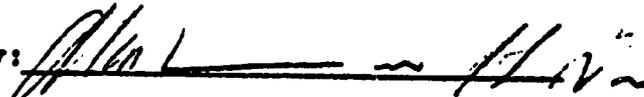
By: 

Title: Minister of Planning

Name: \_\_\_\_\_

Ahmed Habid Ahmad

SOMALIA

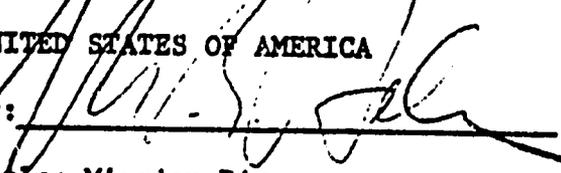
By: 

Title: Director General

Name: \_\_\_\_\_

Abdulrahman Haji Noor

UNITED STATES OF AMERICA

By: 

Title: Mission Director

Name: \_\_\_\_\_

Michael H.B. Adler

DATED may 20, 1981

PROJECT DATA SHEET

1. TRANSACTION C

A = Add  
 C = Change  
 D = Delete

Amendment Number

DOCUMENT CODE

3

COUNTRY/ENTITY

Somalia - Regional

3. PROJECT NUMBER

698-0410.36

4. BUREAU/OFFICE

AFR

06

5. PROJECT TITLE (maximum 40 characters)

Poultry Development

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY  
 05 30 83

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

A. Initial FY 81 B. Quarter 3 C. Final FY 81

8. COSTS (\$000 OR EQUIVALENT \$1 = 6,232)

A. FUNDING SOURCE	FIRST FY 81			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	500		500	500	-	500
(Grant)	( 500 )	( - )	( 500 )	( 500 )	( - )	( 500 )
(Loan)	( - )	( - )	( - )	( - )	( - )	( - )
Other U.S.						
1.						
2.						
Host Country	-	408	408	-	815	815
Other Donor(s)	500	408	908	500	815	1315
TOTALS						

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE	D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
			1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	113	070			500		500	
(2)								
(3)								
(4)								
TOTALS								

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

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

A. Code	BWW	BSW	TNG
B. Amount	500	500	315

13. PROJECT PURPOSE (maximum 480 characters)

To assist the GSDR in the establishment of a disease-free dual purpose chicken flock to serve as a source of breeding stock for small poultry farmers.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY  
 1 2 8 1 06 82 0 5 8 3

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify)

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

17. APPROVED BY

Signature: Michael H. B. Adler  
 Title: MISSION DIRECTOR

Date Signed MM DD YY  
 0 5 20 81

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

MM DD YY

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P R O J E C T P A P E R

POULTRY DEVELOPMENT

I. SUMMARY AND RECOMMENDATION

A. Grantee: The Government of the Somali Democratic Republic (GSDR), acting through the Ministry of Livestock, Forestry and Range (MLFR).

B. Amount: Not to exceed five hundred thousand United States dollars (US\$500,000).

C. Total Project Cost:

U.S. Dollars

Funds	Foreign Exchange	Local Currency	Total
AID Grant	500,000		500,000
GSDR (MLFR)		6,280,000	
PL 480		1,200,000	

D. Project Description:

The planned project includes the phased importation of approximately 40,000 day old dual-purpose chicks, renovation and upgrading of the MLFR's chicken breeding farm, purchase of equipment for a retail shop in Mogadishu for the sale of excess eggs and spent hens, construction of two holding pens, and the establishment of a breeding flock to assure the continual supply of chicks to backyard farmers and cooperatives. Technical assistance will be provided to assist the breeding farm manager in renovation of the farm facilities and assist the farm's technical staff and national extension staff in developing a simple technical package for use by recipients of the chicks. Participant training courses of between 6 months and 9 months will be made available to the Farm Manager, Hatchery Manager and Feed Mill Manager. A revolving fund will be established to permit the MLFR to receive payment for chicks from purchases and to use that income for purchase of the feed required to maintain a 4,000 bird breeding flock and to brood 30,000 chicks yearly.

The project will make chicks available for sale to small farmers, those with approximately 1-3 ha farms, and cooperatives in the grain producing area,

principally the Bay Region, for the purpose of providing the recipients with a more balanced diet and an additional source of income. The emphasis on the small-scale backyard farmer is a radical departure from all prior, and several on-going, efforts by the GSDR to establish a poultry industry through large scale production schemes operated by the Government and based on heavy inputs of feed grains and food supplements. This backyard chicken farming approach will relieve the pressure on feed grains as the birds will rely on forage as their principal feed, supplemented by grain and by products in concentrate form.

E. Project Committee Views

The Project Committee endorses the proposed project. Attached as Annex V is the Project Paper committee's review memorandum recommending approval of the project.

F. Statutory Checklist

All statutory criteria have been met. (See Annex 2, Statutory Checklist, for details).

G. Project Administration

Project funds will be disbursed as prescribed by the applicable handbook requirements for foreign exchange purchases. For local currency expenditure, Somali Shillings will be purchased through the USDO in Paris and expended on receipt of documentation as is to be spelled out in the first implementation letter.

H. Summary of Findings

1. The project is technically and socially sound. Cost estimates are reasonable.

2. The MLFR has the administrative capacity to implement the project.

3. The project is constant with the AID Mandate objectives and to AID's assistance objectives in Somalia. The project is deserving of AID funding.

I. Recommendation

That a grant will be authorized for an amount not to exceed five hundred thousand U.S. dollars (US\$500,000) on terms and conditions spelled out in the project authorization in Annex III.

## II. PROJECT BACKGROUND AND DESCRIPTION

### A. Introduction

Somalia's food supply has not been adequate to meet the demands created by the influx of large numbers of refugees. This would have been true even without the refugee problem, because of poor harvests resulting from drought conditions and Government grain pricing policies, which created disincentives to the production of grain. The GSDR is most anxious to have its population obtain a balanced diet. However, the decreasing availability of grain and grain products precludes the development of commercial intensive poultry production. Since poultry products are, in general, affordable, compact, nutritious, and require a minimum amount of fuel to cook, the GSDR has reconsidered its approach of chicken raising from the intensive management large scale production-oriented programs operated by the Government, based on heavy inputs of feed grains and food supplements, to a backyard chicken farmer type program. This latter program, which this project will support, is predicated on the availability of forage as the principal food source for the chicken supplemented by feed concentrates. This project will permit the backyard chicken farmer to obtain improved stock.

#### 1. Other Projects

##### (a) AID

USAID's concentration in agricultural field has been in the Bay Region of Somalia. The majority of the country's grain is produced in that area and the potential of producing chickens in a backyard program is most promising in the Bay Region. A continual supply of disease-free growers will benefit both the Agricultural Extension Project (649-0101) and the follow-on Bay Region Agricultural Project (649-0113).

The extension training projects (649-0101 and 649-0112) will rely on this project for a source of chicks for training facilities. In particular, the Bay Region project (649-0113) will benefit by having available good quality stock to sell to farmers who farm 1 to 3 hectares. Farmers in this area reserve a portion of their harvest for their own consumption and for use as seed. As the Bay Region project begins to show significant impact, more grain and by-products will be available to farmers to use for feed stuffs. Farmers can use their sorghum and maize to mix with concentrates produced at the Km 7 feed mill.

At present, farmers must often leave their lands and search for water during the dry season. This has been a continuing production problem, resulting in decreased yields and loss of small stock and crops. As wells are sunk under the Groundwater Project (649-0104), more farmers will become stationary, allowing increases in the size of poultry flocks composed of the improved stock supplied by this project. The poultry genetic pool will be upgraded both through natural selection and through the introduction of good quality, disease-free stock.

The establishment of holding pens in the Bay Region will give extension agents an opening with small farmers who are seeking improved stock. Since poultry rearing is a valuable source of income for women on small farms, this project will encourage women farmers to attend the training courses at Farm Management Extension Training Centers such as those in Bonka and Janaale. On-going projects lack this point of contact with women farmers.

#### (b) Other Donors

Other donors (African Development Fund and Food and Agriculture Organization) are assisting the MLFR in the construction of a 75,000 bird laying farm at Km 16 near Mogadishu. Houses will be prefabricated, and foundations are nearly completed for 5 of the 7 houses. A single tier cage layer system will be utilized and day-old hybrid layers will be imported from Europe to stock the farm. Eggs produced will be sold on the Mogadishu market, with surpluses exported to the Arab countries.

The production of 30 to 40 thousand eggs a day would flood the Mogadishu market and most likely would depress the prices of eggs and chickens sold by the private farmer. However, given the present feed constraints in Somalia, it seems unlikely that the objectives of this project will be reached until a feed grain surplus is produced. At present, the project managers are foreseeing a considerable reduction in their objectives.

In the north in Hargeisa, a large poultry farm is under construction. This is primarily a MLFR project. The objective of this program is to raise layers for egg production and broilers for sale in the northern markets. The farm will not serve as a source of chicks and, as such, is not in conflict with this project. Again, under current feed constraints, it is possible

that this project will not be feasible as planned. It may be possible to use the facilities as a holding pen for chicks which are to be sold to farmers in coming years.

The one sector left unprovided for in the poultry development scheme in the National Plan is the most promising: the small private farmer. This is in part due to the Government's past involvement with large government farms and its development philosophy which focused almost wholly on state-run farms and excluded private poultry producers. However, renewed emphasis is being placed on the assistance to the individual farmer. This project is a reflection of the Ministry's concern and commitment to provide chicks to individuals who wish to increase home production, as well as to serve as a chick source for cooperatives which have no other means of obtaining good stock in small numbers without the use of foreign exchange.

#### (c) Current Poultry Facilities and Stock

The MLFR is the administrator of the poultry production program. Government poultry farms include the farm at Km 13 (capacity 50,000 layers and growers, constructed in the mid-seventies) and Km 7 (feed mill and farm, capacity 3,000 layers, and hatchery, capacity 16,000 chicks/month).

Some poultry facilities have been constructed in outlying areas. Brava has a small egg production farm (600 layers, capacity 5,000); it is run by the Coastal Development Agency. A recently completed farm at El Ahmed could house about 3,000 layers. The farm was built with assistance from outside donors and will be under the Coastal Development Agency's administration. These farms are located in areas where transport is minimal, roads are bad, and feed delivery is a continual problem.

The farm at Km 13 is stocked with birds from a 1978 shipment of day-old chicks. At present, the farm has about 6,000 descendants of the twenty thousand White Leghorn chicks which were imported from Italy to serve as a breeder flock for the production of chicks for government farms.

While White Leghorn chickens are suitable for intensive egg production, they are not the most desirable stock for crossbreeding or for production under extensive conditions. In addition, the breeding flock at Km 13 is infected with Salmonella gallinarum, an egg-borne disease which can be transferred by adults to the young

chicks. Mortality among the young birds is high and may reach 30%. When treated, adults survive but are infected with chronic Salmonellosis; over-all production performance is low, and stress produces elevated mortality rates.

(d) The Private Sector

There have been attempts in the past by private farmers in Baidda, Afgoi, Mogadishu, and Eragavo to develop a small private industry. These efforts were unsuccessful due to non-availability of feed and medicines. At present, it would not be possible for a large private farm to develop because of feed limitations.

This picture may change in the future if grain production is increased and if the refugee problem abates. However, the long-term prognosis for the development of a commercial industry on a large scale is not promising. Therefore, this project is geared toward assisting small farmers who are not so dependent on grain for their birds.

2. Other Factors

(a) Nutrition

Since eggs provide a complete protein plus vitamins and minerals, they are a desirable element in the diet, particularly of the non-nomadic fraction of the population. In addition, eggs are well accepted by village people and household surveys indicate that about 1/2 of the eggs produced are consumed by producers.

While the nomadic diet includes a good deal of milk and milk by-products, the settled population do not receive a continual supply of protein. The lack of refrigeration in most villages makes meat storage impossible. A chicken, however, is eaten when killed and is an adequate size for most families to receive a portion. At present, chickens are very expensive (some \$5-8 per bird) on the market. The importation of chicks for backyard farmers will increase the number of birds marketed and should result in a reduced market price within the life of the project.

(b) Pressure on Food

The 1979/80 (crop year) food-grain deficit was estimated by the GSDR at some 75 thousand metric tons. There is no distinction made in Somalia between feed grain and grain sold for human consumption. Price per Kg does vary on the parallel market depending upon availability, origin, and color of the grain.

There is every indication that the national grain deficit will continue to grow, thus the pressure on food grains will be a continual problem in intensive production. Chickens which are intensively produced must depend entirely on the producer for their diet (70% of which must be grain). Backyard chickens, however, forage for a majority of their diet, they do not compete with ruminants or so keenly with humans for food and thus reduce the pressure on grain supplies.

The key to producing chickens in a grain deficit country is to encourage the extensive or foraging system and to provide a feed supplement (concentrate) based on available by-products such as meat, fish and bone meal and bran.

### (c) Change in Policies

As evidenced by the section "Other Projects" the past emphasis of the MLFR has been on large schemes which emphasize capital-intensive confined production techniques.

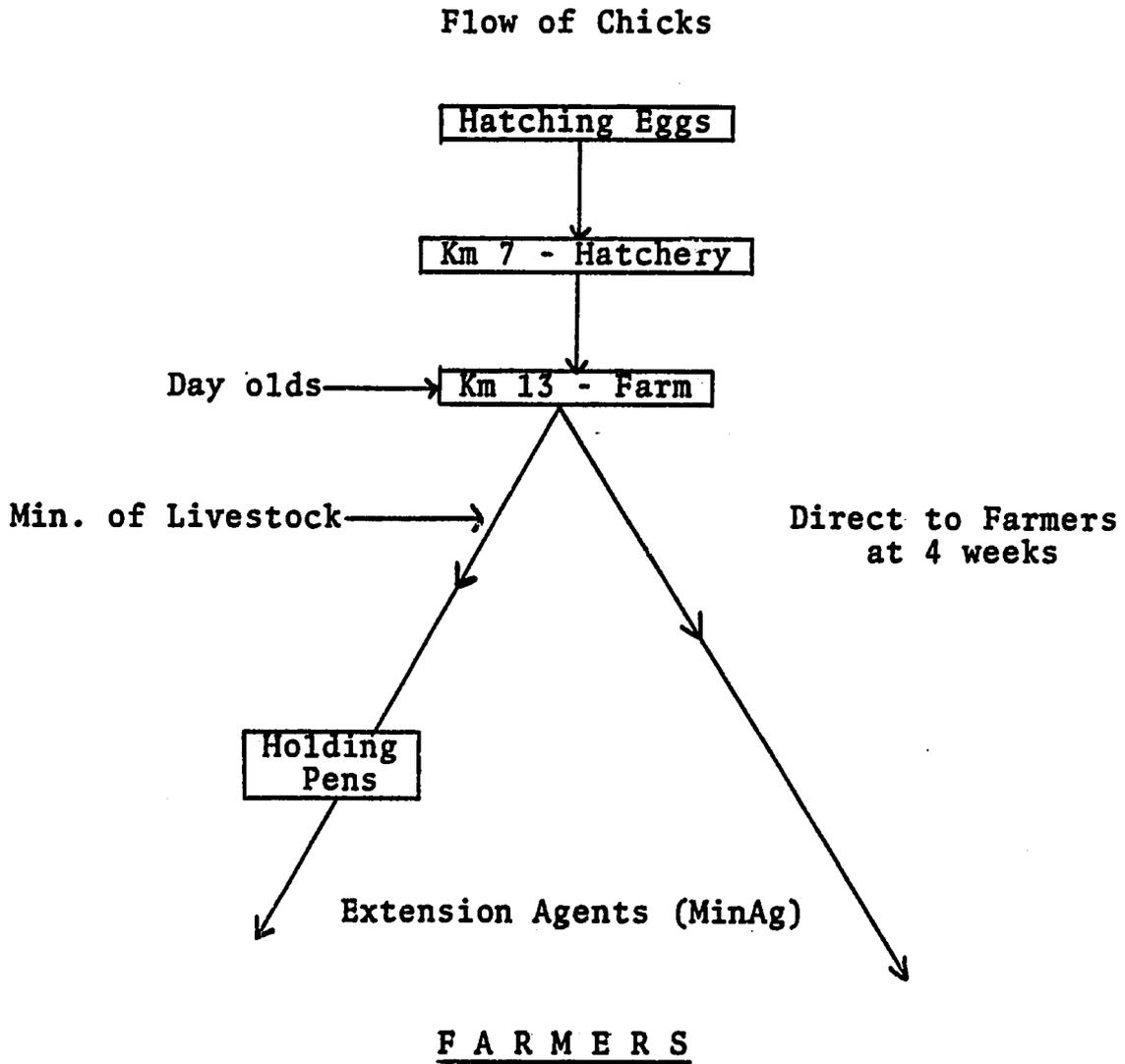
Officials from the MLFR have recently emphasized the potential which they believe exists in the small producer. This is, in part, due to policy shifts in the government and, in part, to the failure of the large schemes which have utilized capital resources and precious management staff to little avail.

### B. Project Description

In order to establish a nucleus breeding flock and to provide chicks for farmers, day-old chicks will be imported at regularly-spaced intervals.<sup>1/</sup> Chicks destined for farm families will be reared to 4 weeks of age, vaccinated and placed in holding pens for timely sale. Over the course of two years, 40,000 day-old chicks will be imported. The government poultry farm at Km 13 will be used to house the 4,000 birds reserved as breeders. Eggs from breeder stock will be hatched at Km 7, then chicks will be brooded in Mogadishu prior to their distribution to holding pens. In the first year of the project, two holding pens will be established to receive the chicks from the farm. Extension and MLFR staff will serve as liaison workers and assist farmers with their production problems. The present breeding farm facilities at Km 13 will be upgraded and renovated. Parts will be ordered for equipment on hand which is not functioning. No major construction on the farm will be necessary. Farm staff will receive on-the-job training via technical assistance furnished in the project.

<sup>1/</sup> In the event day-old chicks cannot be purchased from a nearby Geographical Code 941 source country, it will be necessary to import hatching eggs from the United States.

Schematic of Chick Flow



### 1. Technical Assistance

A farm manager will be hired on a one-year personal services contract to oversee the farm and disease management program while the current farm manager is sent to the U.S. for training. A one-month overlap at both the beginning and end of the training period is envisioned so that a smooth transition can be accomplished.

Short term technical assistance will be required (2 weeks) for the hatchery. A technician from Robbins Incubator Company will be brought in to run a training/maintenance program.

### 2. Importation Program

A total of 40,000 day-old chicks will be imported over a two-year period. Prior to the importation of the first traunch, the farm must be thoroughly cleaned and disinfected.

From the first shipment, 4,000 chicks will be reserved to establish a nucleus breeding flock; any surplus chicks will be sold to farmers in the Mogadishu area.

The second traunch (5,000 chicks) will go directly to holding pens for distribution to farmers. All further shipments (two month intervals) will be brooded on the farm and then sent to the holding pens for distribution to farmers.

The importation of chicks is phased so that the first batch of chicks will come into production when the day-old shipments terminate, thus insuring a supply of locally-produced day-old chicks in year two of the project.

### 3. Participant Training

Three participants will be trained in the U.S. All training will be short-term certificate training with a practical, on-the-job orientation. Courses will range from six months (Feed Mill Manager, Hatchery Manager) to nine months (Farm Manager).

In addition, two courses will be held yearly in-country for farm management and extension staff. Two such courses have been held with the Km 13 staff to orient them on extension techniques.

Extension agents in the Bay Region have had several courses in the past year, two of which had a poultry husbandry component.

#### 4. Breeders and Sale

From the 4,000 breeders reserved, the flock will regenerate itself. As the chicks being imported will not be hybrids, a self-sustaining flock can be heavily selected to increase production yearly.

Chicks which are imported will be reared to four weeks of age and then transferred to holding pens. They will be vaccinated prior to being released to farmers. It is not envisioned that chicks will spend more than 2 weeks in the holding pens as demand is high.

Extension agents at the village level will be the contacts with farmers for chick dispersal. Farmers who want to purchase chicks will be offered both technical assistance and training through the Farmers' Training Centers.

Farmers who wish can purchase chicks directly from the farm at Km 13. When chicks are available for sale, it will be advertised and the farmers will submit an application to the Ministry of Livestock for approval of the purchase. Criteria for selection of buyers will include feed availability, suitability of site and size of family holding.

The application will provide the Ministry with an opportunity to assist farmers through extension advice and to make follow-up evaluations of the project. Farmers will be told where feed concentrates and medications are available and where they can go for assistance with production problems.

This program will insure that all farmers in grain-producing areas will have equal access to chicks. While 10 to 15 chicks per batch is recommended as a practical number of chicks to sell to one farm family, the maximum number must remain flexible. In many instances, cooperatives or associations may wish to purchase a larger number of starter chicks, and these cases must be evaluated by the MLFR on an individual basis.

#### 5. Construction and Renovation

The project will not finance any major construction, but will provide the foreign exchange to purchase repair materials for the farm at Km 13. The number of houses at the farm is more than adequate to house the breeder flock. One layer house on the upper farm will be converted to a brooder house by installing siding, gas brooders and brooder pens.

Feed storage facilities will be up-graded by screening the ventilation areas, constructing wooden pallets to get stored feed off the floor, and building a feed bin. Wheelbarrows will be ordered to facilitate feed handling.

The technical advisor's house must be completely renovated. A new ceiling, screens, bathroom, and kitchen will be installed and the house brought up to standard.

On the farm, new construction will consist of a laundry, a cool room, and security fence and gate.

A retail outlet will be established near the Central Mogadishu market. It is envisioned that a small shop will be rented and an egg cooler installed (project supplied). The shop will be run by either the SWDO (Somali Women's Democratic Organization) or the municipality. Both groups have expressed an interest and the MLFR will select between them.

The project will provide 8,000 dollars to furnish the off-shore construction materials for two holding pens. The pens will be simply constructed with wire and brick siding and an asbestos roof. As chicks will be held only a short time (approximately 2 weeks), a minimum shelter and equipment are required.

#### 6. Use of National Extension Service (NES)

Discussions with both the Ministry of Agriculture (MOA) and the MLFR have indicated that both Ministries are willing to cooperate in a poultry dissemination program. Although the Ministries are separate entities in Somalia, both are agreed that one part of the project cannot function without the other. The extension agents (under the MOA) have the best access to farmers and the MLFR has both the expertise and the facilities to supply chicks.

A Project Management Unit arrangement has been suggested to coordinate the resources and efforts of the Ministries, the farm staff and the extension agents. The MLFR is in agreement with the concept and suggests a once monthly PMU meeting to coordinate activities; the MLFR, however, will have the deciding vote on implementation and will control the local funds for the project. Also included in the PMU will be members of the MLFR involved in field veterinary services, and the A.I.D. Project Manager. For a complete description of the PMU, please see Administrative Feasibility section below.

NES, together with MLFR field staff agents, will be the contact for selecting farmers for the project and for follow-up evaluations on the health and productivity of the chicks.

#### 7. Commodities - Miscellaneous

Items to be procured under the Foreign Exchange component will include building materials not available in-country, solvents and reagents for the feed lab at Km 7 feed mill, farm equipment such as an egg cooler, candler, feed bin and plastic chick crates. One half of the feed required by the project will be purchased (about 340 MT) from the U.S.

Two vehicles, one for chick delivery and one for transport of workers and feed, will be purchased from U.S. sources.

#### C. Compliance with Special Covenants and Undertakings

Annex III lists the various covenants and undertakings contained in the AI project grant agreement which bears on this poultry project. We conclude the GSDR is in compliance with its agreed undertakings.

#### III. RATIONALE

The project assistance has been requested by the GSDR and developed in close conjunction with MLFR staff. It is consistent with the A.I.D. Mandate and complimentary to other A.I.D. projects in Somalia. The emphasis on many projects is to increase exports and thus increase foreign exchange; this project will keep both profits and protein in the country, and, as such, will assist in satisfying the basic human needs of the Somali people.

#### IV. ADMINISTRATIVE FEASIBILITY

The Ministry of Livestock oversees and budgets for the hatchery and feed mill at Km 7 and the breeding farm at Km 13. In addition, the Veterinary Vaccine Serum Institute and Regional Veterinary Centers are under the administration of the MLFR.

The Director of Animal Production is in charge of all the poultry and feedmill facilities. The Office of Minister is a political appointment, with the Vice Minister serving as technical advisor to the Minister. The Director

General, Mr. Abduraxman Haji Nur, oversees the day-to-day functions of the Ministry, and the direction of Departments is under his supervision.

The Ministries of Livestock and Agriculture are separate in Somalia, and extension agents who will assist in the delivery of chicks and information to farmers come under the supervision of the Ministry of Agriculture. Both Ministries have agreed to cooperate in an extension-oriented poultry production program. A project management unit will meet monthly to resolve inter-ministerial problems and to oversee future project implementation.

The technical advisor and his/her counterpart will work closely with both Ministries to insure that extension agents have access to chicks and that they are communicating the necessary technical information to farmers. The administrative arrangement outlined above should provide sufficient management direction to assure that the project's operational structure works effectively.

#### A. Revolving Fund

The establishment of a revolving fund is important to the project's success and to the stability and maintenance of the farm. Proceeds from the sale of chicks, supplies, hatching eggs, medications, and feed concentrates should be returned to the MLFR for farm maintenance, employees' overtime salaries, and to cover feed costs. At present, the MLFR receives only a yearly budget which is frequently depleted by October/November. Monies accrued from the sale of eggs and chickens are dispatched to the Ministry of Finance for re-allocation. The Director General of MLFR believes that the establishment of a fund whereby monies accrued by services may be returned to the respective department immediately upon receipt will go a long way toward strengthening the departments and decentralizing the facilities available to farmers. However, under a recent ruling by the Ministry of Finance, a project must be completely self-supporting before it can qualify for a revolving fund. The MLFR has suggested initiating the concept of a revolving fund first in the feed mill, as it can operate independently and, later in the life of the project, extending the fund to medications and chicks if their profitability can be assured. According to the Financial Analysis, the project cannot be self-supporting in its two-year lifetime, based on a breeding flock of 4,000 birds (flock size is a function of feed availability). If the breeding flock can be enlarged in the future, it will support the personnel involved, and could become self-sustaining.

## B. Management

The problems of farm administration are closely tied to the regulations and salaries of the civil service. The breeding farm has a staff of 70-80 people at any one time. This number of people should be more than sufficient to manage a relatively small breeding flock plus do the maintenance and renovation required by the project. However, there are several limiting factors which will most likely result in a requirement for additional temporary help to implement the project.

1. The low government salaries paid throughout all Ministries do not create the incentives employees need to do an adequate job.

2. It is very difficult to reward employees who do well and impossible to remove those who do not.

3. Many of the farm workers live in Mogadishu and the transport to the farm (located 13 Km from city center) is difficult to obtain. At present the farm staff is collected by MLFR transport and taken to the farm. This system ties up the Ministry's vehicles and limits the amount of petrol available for farm activities.

4. Government working hours for Ministry staff are from 7-2 p.m., 6 days a week. It is not possible to manage a farm and oversee a laying flock under these conditions. The farm staff has set up evening and night shifts to alleviate the situation, but no reliable staff is available during the night hours.

Some of the workers' salaries can be raised through the successful completion of a staff training course. The Ministry of Labor must oversee the training and testing process and certify the results. A staff training project is included in the implementation plan as a first priority. In addition, the local currency requested from the Ministry of Finance under Title I generated funds will allow for the payment of field allowances to the staff.

Both transport and housing problems could be alleviated by constructing additional on-farm housing and renovating housing which exists. The U.S. technician's house will be renovated under the proposed project and it will be handed to the farm manager upon the completion of the technician's tour.

Transport problems will be alleviated by the purchase of a Suburban from project funds. However, the continued shortage of petrol must be faced squarely and a steady (if minimal) supply allocated for the project.

### C. Social Soundness

The project is designed to assist poultry farmers with flocks of 10 to 15 birds. These farmers are often not interested in development programs because they are primarily women and occupied on the farms and in the household. It is women who sell eggs in the marketplace and invariably women who care for small stock in their homes.

According to Household Studies (1976), settled families owned an average of 3.2 chickens in the middle Shebelle area. A 1975 survey in that area indicated that of 113 eggs produced by village flocks, 49 eggs were consumed and 61 were sold or exchanged. These egg sales provide families with a small but regular income which may amount to as much as So. Sh. 200 per year, excluding the sale of spent hens. The sale of live birds adds as much as 20 to 30 shillings to the families' incomes.

The demand for new stock and chicks is high in Somalia. The MLFR is repeatedly requested to provide chicks for farmers and cooperatives. Because of the extraordinarily high price paid for poultry products in Somalia, farmers are anxious to obtain good stock. Villagers visited by USAID staff have continually requested a supply of chicks to raise on their farms. There is no doubt that if chicks are priced at or below market price, the program will be readily received.

There is no fair distribution system which could exclude large farmers from purchasing chicks, nor should there be one. In the first 5,000 chick shipment, purchasers will be selected through extension agent contacts and applications approved by the MLFR.

As both the farm and feed mill managers are women, the problem of getting women involved in the distribution and extension may be considerably reduced. Two women extension agents in Janaale have expressed an interest in poultry rearing and recently started a 30 bird demonstration unit there. As the number of women involved in extension work at the field level increases, contacts with women farmers will become increasingly easier. These contacts are essential to the success of the project for the overwhelming majority of backyard poultry farmers are women.

Poultry keeping is an acceptable cultural practice for women and mothers, and no known taboos exist to the consumption of eggs or poultry meat.

D. Technical Analysis

1. The Breeding Farm at Km 13

The most difficult technical problem in this project will be the maintenance of a Salmonella-free flock. Salmonella, when introduced into a flock, can become egg-borne, resulting in a continually positive flock and high losses among chicks and growers. When a supply of non-infected chicks is available, total depopulation of the flock, followed by a waiting period and disinfection of housing and premises, would be the solution. However, there is no source of Pullorum-free chicks in Somalia, and the continual importation of negative stock is impossible due to foreign exchange defecits.

The ease with which Salmonella is spread from house to house means that a constant disease-prevention program must be in effect on Km 13. Fortunately, the farm is divided into two sections, an upper and a lower farm. The upper farm is now depopulated, and 4 of the 10 houses have been completely cleaned out. Although this project will utilize a maximum of 4 houses, it is recommended that the additional houses be cleared out and disinfected three months prior to the delivery of the chicks. When a delivery date is known, the lower farm should also be depopulated and negative birds sold to farmers while the positive birds are slaughtered.

A disease control program for the Km 13 farm has been outlined with Ministry officials. It involves:

- farm visitors being kept to a minimum and wearing protective foot gear
- employees showering and changing clothes before beginning work
- all employees wearing boots
- one caretaker assigned to each house
- locks to be installed on each house
- brooder, grower, and one laying house to be enclosed
- using foot baths appropriately

- fencing the farm areas
- elimination of on-farm egg and chicken sales
- series of blood tests to determine carriers

## 2. Disease Control at the Hatchery

The hatchery manager is aware of the potential and actual disease problems but at present does not have the chemicals to disinfect properly. Incubators are fumigated with potassium permanganate and formalin prior to setting the eggs. However, no footbath or floor disinfectants are available.

In the long run, government must consider moving the hatchery to more isolated grounds. By using proper disinfectants and limiting access to the hatchery, a safe hatching program could be carried out for the next 3 to 5 years at the present site. By dry-cleaning and fumigating the eggs on the farm, the risk of infecting the hatchery would be further reduced.

### E. Administrative Arrangements

The MLFR will have primary responsibility for project implementation. The Director of Animal Production will oversee the day-to-day project activities and the Director General will have final say in implementation problems. All local currency will be administered through the farm's account at Km 13. U.S. dollar commitments will be certified by the Controller, USAID/Somalia.

The MLFR will be assisted in all offshore commodity procurement by the USAID project manager. Renovation activities will be overseen by the USAID Mission Engineer's office.

The U.S. technician's services (Farm Manager and Incubator Maintenance person) will be secured through AID Personal Services Contracts.

### F. Economic Feasibility (\$1=6.232 So. Sh.)

A financial analysis was completed on the project at USAID/S (see table). A series of tables were developed using the following prices:

Feed at 4 So. Sh./Kg  
Eggs at 2 So. Sh./egg  
Carcass value 15 So. Sh.  
Sale of excess males 20 So. Sh./bird  
Mortality 20%/year

In the analysis, farmers were assumed to purchase 10 chicks per family and subsequently reared their own replacement stock (for farm-reared chicks, mortality was taken at 50%). It was further assumed that 60% of the feed requirements would be fed and 40% would be foraged. Labor, equipment and housing were not costed.

The IRR over a 15-year period was evaluated at slightly over 21 percent (on discounted present value of So. Sh.).

In an individual basis, farmers would have a maximum negative cash flow of 212 So. Sh. during year one of the project (assume 130 eggs/hen/production year). In the second year of the project, the farmer's income would be in the range of So. Sh. 300 and 150 So. Sh. income in year three for an average income of 89 So. Sh./year.

G. Conclusion of Analysis Sections

The project is technically sound, costs are reasonable and it satisfies the basic human needs mandate, is socially sound and has the full support of the GSDR.

V. FINANCIAL PLANS

A. Basis of Cost Estimates

Costs were based on consultations with farm, Ministry and USAID/Engineering staff and on experiences with other projects currently in implementation.

B. Disbursement Plan (total 000's)

	<u>FX</u>	<u>So. Sh. (Title I)</u>	<u>So. Sh. (MLFR)</u>
FY '81	273	770	2,540
FY '82	227	430	2,540

C. Financial Plan

Foreign Exchange (000's)

	<u>Dollars</u>	
	<u>FY 81</u>	<u>FY 82</u>
1. Construction/Renovation Costs		
Cool room	2.0	-
Feed room repair	2.0	-
Layer house conversion	3.0	-
Holding pens x 2	8.0	-

		Dollars	
		<u>FY 81</u>	<u>FY 82</u>
	Laundry & Locker room	5.5	4.0
	Egg cooler	-	5.0
	Egg storage room (So. Sh.)		
	Technical advisor's house	5.0	-
	Repair of present houses (So. Sh.)	-	-
	Compost pit (So. Sh.)	-	-
	Totals	<u>23.5</u>	<u>9.0</u>
2.	Technical Assistance		
	• Hatchery technician (10 days)	10.0	-
	Technical advisor (support & furniture)	45.0	50.0
	Total TA	<u>55.0</u>	<u>50.0</u>
3.	Participant Training		
	Hatchery manager (6 mo.)	10.0	-
	Feed mill manager (1 yr. cert.)	20.0	-
	Farm manager (1 yr. cert.)	20.0	-
	Short courses, admin. travel	9.0	10.0
	Total	<u>59.0</u>	<u>10.0</u>
4.	In-country Training		
	Extension agents and farm technician courses (4)	4.0	5.0
	Total	<u>4.0</u>	<u>5.0</u>
5.	Commodities		
	Feed mill		
	Replacement parts and screens	2.0	2.5
	Solvents & lab equipment	7.0	-
	Pre-mixes (vitamin-mineral)	4.5	5.0
	Feed grains (340 MT/yr. @ \$380/MT)	25.0	75.0
	Total feed mill	<u>38.5</u>	<u>82.5</u>
	Hatchery		
	Fumigants, disinfectants, cleaning materials	.5	.5
	Chick crates (250 plastic Plaussen-type)	1.0	-
	Candler and misc. supplies	1.5	2.0
	Total hatchery	<u>3.0</u>	<u>2.5</u>

	<u>Dollars</u>	
	<u>FY 81</u>	<u>FY 82</u>
Km 13 Farm		
Equipment, parts and feed storage bin	8.0	4.0
Medications & vaccines (.10/chick)	2.0	3.0
Hatching eggs/chicks	25.0	30.0
Feed mixer	2.5	-
Egg cooler	1.5	-
Repair of existing equipment	2.0	5.0
Total KM 13 farm	<u>41.0</u>	<u>42.0</u>
Vehicles (chick delivery van, farm pickup)	30.0	-
Spare parts	6.0	-
Total vehicles	<u>36.0</u>	<u>-</u>
Shipping (total)	13.0	11.0
Misc. & inflation	<u>9.0</u>	<u>15.0</u>
Total commodities	273.0	227.0

PL 480 Title 1 funds have been requested for the project in the amount of So. Sh. 770,000. The MLFR is contributing an additional 2.54 Million yearly in salaries and allowances, and petty cash accounts.

So. Shilling Budget (requested PL 480 funds)

	<u>CY 80</u>	<u>CY 81</u>
1. Construction and Renovation Costs		
Km 13 Breeding Farm		
Repair of existing staff housing		150.0
Construct Cool Room for egg holding	22.0	
Repair on feed room (screening, construction of pallets, separation and stand for feed bin)	30.0	
Compost pit for manure disposal (bulldozer rental)	40.0	
Construct laundry & locker room	200.0	
Repairs on technician's house	40.0	
Conversion of laying to brooding house (upper farm - screening, chickpens, lower ceilings)	60.0	
Holding pens		30.0
Egg storage room		60.0
Total	<u>392.0</u>	<u>240.0</u>

	<u>CY 80</u>	<u>CY 81</u>
2. Technical Assistance (Support)		
Incubator technician		
per diem/hotel	4.4	
transport costs (car rental, petrol)	1.0	
Technical advisor to breeding farm		
Furniture for house	62.0	
Per diem (50 days in field)	15.5	
Misc. (procurements for house, shelving, curtains, • etc.)	10.0	
Support, petrol, misc, housing	100.0	80.0
Total	<u>192.9</u>	<u>80.0</u>
3. Added Responsibility Allowances		
For Management Staff		
6 technicians (400/mo x 1 yr)	28.8	
3 managers (500/mo x 1 yr)	18.0	
Temporary hire & overtime		
laborers (40 @ 100 mo)	96.0	
Total	<u>142.8</u>	
*Note in second year of the project, these allowances and increases in pay will come under MLFR budget.		
4. Miscellaneous		
Total	<u>42.3</u>	<u>50.0</u>
Total Request	770.0	430.0

VI. IMPLEMENTATION PLAN--POULTRY DEVELOPMENT

<u>Activity</u>	<u>Month</u>
1. Project Agreement signed	1
2. Renovate technician's house	1-2
3. Advertise for technical assistance, review CV's	1-2
4. Renovate upper farm	1-2
5. Convert laying house to brooder house	1-2
6. Renovate store room, install pallets for feed storage	1-2
7. Write PIO's for all equipment; vaccines	1-2

	<u>Month</u>
8. Order feed grain	1
9. Order chicks	2
10. Order vehicles	1
11. Technician arrives - 1 year contract; depopulate lower farm	4
12. Hatchery technician arrives for 10 days	3
13. Hatchery Manager leaves for training - 5 mo.	4
14. Locate and construct holding pens	4-5
15. 1st Traunch chicks/hatching eggs arrive (2 month intervals 10,000) (1st shipment 5,000) 4,000 to be selected as breeders	5-6
16. Course for extension and Ministry employees Project Preliminary Evaluation	6
17. Course for extension and MLFR	6
18. Farm Manager leaves for training (10 mo.)	7
19. 2nd chick delivery	8
20. Feed grain arrives--U.S. shipment (½ shipment)	9
21. 3rd chick delivery	10
22. 1st field evaluation/progress report, re-examine implementation schedule Evaluation	7 12
23. 4th chick delivery	13
24. Begin production of chicks on farm	13

VII. EVALUATION

The project will be evaluated by Mission and Ministry staff twice yearly. As the disease control and maintenance plan will be an integral part of the project, the technical advisor's initial report will be compared with the status of the farm at six-month intervals. Both testing and post-mortems of birds will be included in the report to insure that farmers will receive only Salmonella-free stock.

The impact on farmers will be judged by farm visits, and interview staff will visit farms, households, and cooperatives which have purchased birds to determine the flocks' general health and production status. Field records of extension agents and MLFR staff will be examined to insure that stock is placed with farmers who fall within the target group.

The bi-annual report and evaluation will enable farmers to have an input into any re-orientation of the project and an opportunity to make their problems in obtaining supplies and medications known to the project staff.

The retail outlet in Mogadishu will record surplus egg sales and the sale of spent hens or culled stock. These records will be compared with farm production records to obtain a control on the number of eggs held for hatching, the number discarded and sold.

The hatchery will provide an additional check on egg numbers. Hatchability is determined at each set, and an over-all trend will be plotted monthly. This will permit both evaluation and field staff to note any trends in reduced hatchability which can be traced to breeding flock management.

Evaluation reports will be discussed with the Ministry, farm, USAID and extension staff to determine if the project is reaching the commonly agreed upon goals. If re-orientation of the project is necessary, all participants will have an input into the changes.

As the production and maintenance of a healthy flock is dependent on many facets of animal husbandry, such as nutrition, health, and management, it is suggested that members of other branches of the Ministry be allowed to participate in both report preparation and follow-up studies.

#### VIII. INITIAL ENVIRONMENTAL EXAMINATION

Project Country: Somalia

Project Title: Poultry Development

Funding: FY 81 \$500,000

Period of Project: two years

IEE Prepared by: Sharon Fee, USAID/Somalia  
Steffi Meyer, AFR/DR/EAP

Environmental Action Recommended: Negative Threshold Determination

Assistant Administrator Decision:

APPROVED: State 289834

DISAPPROVED: \_\_\_\_\_

DATE: 12/4/80

A. Description of Project

The project will assist the Government of Somalia in renovating its poultry breeding farm. Hatching eggs of a dual-purpose variety will be imported and hatched in incubators at the government farm. Chicks will be brooded, vaccinated and sent to holding pens to be sold to farmers. Extension agents will assist in the delivery and rearing of the birds.

B. Examination of the Nature, Scope, and Magnitude of Environmental Impacts

In accordance with AID Regulation 16, Paragraph 216-2 (F) and (G), a negative determination is appropriate regarding the environmental impact of the grant. Since the project is aimed at providing disease-free chicken breeding stock to small poultry farmers, who for the most part already raise poultry, it will not have a significant effect on the environment. Currently existing government farm facilities will be renovated and no new farm construction, apart from the addition of disease control gates, showers, and a fence, are contemplated. A one-room retail unit with a cooling facility will be constructed at the Mogadishu market site and holding pens will be constructed at the Agricultural Training Centers.

C. Recommended Environmental Action

A negative determination is therefore recommended.

IX. CONDITIONS PRECEDENT

Prior to the initial disbursement of project funds, the Grantee shall submit to A.I.D. the following:

- (1) Approval of PL 480 Title I funds necessary to cover the local renovation costs for the farm at Km 13 and for the technician's housing.

- (2) An inspection of the upper farm which indicates that the farm has been thoroughly cleaned and is ready, apart from minor repair work, to receive chicks.

Covenants:

- (a) Assurances that government feed stores will be adequate to supply 1/2 of the feed required under the project.
- (b) Except as A.I.D. shall otherwise agree in writing, the MLFR will make its best effort to have the renovation of the American technician's house completed prior to the signing of the technical services contract.
- (c) Except as A.I.D. shall otherwise agree in writing, the MLFR will make available to A.I.D. the rules and regulations of the revolving fund to be established for animal feedstuff.
- (d) Except as A.I.D. shall otherwise agree in writing, the MLFR will send a copy of the agreement establishing the retail outlet in Mogadishu for the sale of surplus eggs and chicks as soon as the transaction is completed.

Negotiating Status:

All conditions precedent and covenants have been discussed with JVA officials. They have indicated a willingness to comply.

## LOGICAL FRAMEWORK

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<u>Program Goal:</u> Attainment of greater self sufficiency in food production	Food imports decrease	Min. of Planning: Statistical Abstract	SDR maintains food self-sufficiency as a priority. Grain price reforms stimulate increased production
<u>Project Purpose:</u> Increase in production of saleable eggs and meat (10% in year two of the project. concomitant increase in income for small, backyard poultry farmers.	Data collected from farmers in two regions. Baseline market survey and six-month interval checks. Income of small chicken farmers has increased.	Baseline study month one, farmers interview	No viral diseases introduced. SDR is able to provide feedstuff to maintain breeding flock.
<u>Outputs:</u> Trained personnel Trained extension agents. Farm buildings constructed and renovated. Chicks made available to farmers.	Three participants trained in U.S. 24 extension agents trained in country. Laundry and Egg Holding Room built. 30,000 chicks sold to farmers.	Project records. Field and course records. Farm inspection. Project accounts.	MLFR provides candidates in a timely fashion. Petrol and staff provided in a timely fashion. Construction materials arrive. Breeders/Hatching eggs arrive in good condition.
<u>Inputs:</u> See Financial Plan Training Technical assistance Commodities	See financial Plan	Project Records Project manager's bi-annual assesment.	Project commodities and technicians arrive in a timely fashion.

5C(1) - COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAA funds, and then criteria applicable to individual fund sources: Development Assistance and Security Supporting Assistance funds.

A. GENERAL CRITERIA FOR COUNTRY

- |  |  |
|--|--|
| 1. <u>FAA Sec. 116.</u> Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in consistent pattern of gross violations of internationally recognized human rights?   | 1. All AID projects in Somalia have been designed to directly benefit the rural poor population. |
| 2. <u>FAA Sec. 481.</u> Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully? | 2. No.   |
| 3. <u>FAA Sec. 620(b).</u> If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement?  | 3. Yes.  |
| 4. <u>FAA Sec. 620(c).</u> If assistance is to 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) debt is not denied or contested by such government?  | 4. No.   |
| 5. <u>FAA Sec. 620(e) (1).</u> If assistance is to a government, has it (including government agencies or subdivisions) 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 obligations toward such citizens or entities?   | 5. No.   |

... in the Sec. 620(s) factors  
 ... the course of the year, of  
 ... significance to indicate that  
 ... tive answer might need review,  
 ... should still be reported, but the statu-  
 ... tory checklist will not normally be the  
 ... preferred vehicle to do so.)

6. 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?

13. No.

7. 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?

14. Somalia is not in arrears in payment of U.N. obligations.

8. FAA Sec. 620A. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism?

15. No.

9. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA?

16. No.

10. FAA Sec. 669, 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 detonated a nuclear device after August 3, 1977 although not a "nuclear-weapon State" under the nonproliferation treaty?

17. No.

**8. FUNDING CRITERIA FOR COUNTRY**

**1. Development Assistance Country Criteria**

1. FAA Sec. 102(c), (d). Have criteria established, and taken into account, less commitment and progress of country in effectively involving the poor in development, on such indexes as: (1) small-farm labor intensive agriculture, (2) reduced infant mortality, (3) population growth, (4) equality of income distribution, and (5) unemployment.

1.a. Yes.

2. FAA Sec. 104(d)(1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor?

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- FAA Sec. 620(a), 620(f); App. Sec. 107. 114. Is recipient country a Communist country? Will assistance be provided to the Socialist Republic of Vietnam, Cambodia, Laos, Cuba, Uganda, Mozambique, or Angola? 6. No.
- FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? 7. No.
8. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? 8. Yes.
9. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? 9. No.
10. FAA Sec. 620(o); Fishermen's Protective Act, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters, 10. N/A.
- a. has any deduction required by Fishermen's Protective Act been made?
- b. has complete denial of assistance been considered by AID Administrator?
11. FAA Sec. 620(a); App. Sec. 503. (a) Is the government of the recipient country in default on interest or principal of any AID loan to the country? (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds, unless debt was earlier disputed, or appropriate steps taken to cure default? 11.a. No.  
b. No.
12. FAA Sec. 620(s). "If contemplated assistance is development loan (including Alliance loan) or security supporting assistance, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the amount spent for the purchase of sophisticated weapons systems?" (An affirmative answer may refer to the record of the taking into account, e.g.: "Yes as reported in annual report on implementation of Sec. 620(s)." This report is prepared at the time of approval by the Administrator of the Operational Year Budget. 12. N/A.

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual fund sources; Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

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

GENERAL CRITERIA FOR PROJECT

1. FY 79 App. Act Unnumbered; FAA Sec. 653 (b); Sec. 634A. (a) Describe how Committees or Appropriations of Senate and House have been or will be notified concerning the project; (b) Is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)?

(a) CN submitted, waiting period expired May 5, 198

(b) Yes

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes

(b) Yes

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?

No further legislative action is required.

4. FAA Sec. 611(b); FY 79 App. Act Sec. 10T. If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?

N/A

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

N/A

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

Project is not so susceptible.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, 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.

8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

9. FAA Sec. 612(b); Sec. 636(h). 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 to meet the cost of contractual and other services.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

12. FY 79 App. Act Sec. 608. 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

project will encourage efforts of "b", "c" and "d". Under "e" the technical assistance and training provided under the project will increase efficiency in agriculture. - "f" N/A

U.S. private enterprise will be eligible and encouraged to bid for the supply of goods and services in Somalia.

Project Agreement will so provide.

Somalia is not an excess currency country.

GRANTEE PERFORMANCE UNDER SPECIAL COVENANTS  
AND UNDERTAKINGS CONTAINED IN PREVIOUS AGREEMENTS

ARTIFICIAL INSEMINATION PROJECT - 698-0410.2

Section 4.1 The Ministry of Livestock, Forestry and Range (the Grantee) will provide assurance by letter to USAID that arrangements have gone forward to put the liquid nitrogen facility into operation and sufficient supply of liquid nitrogen is being provided.

The GSDR (Ministry of Livestock, Forestry and Range is implementing agency) procured the necessary equipment from their own budget and have paid the costs to get an installation technician to Somalia.

BAY REGION RURAL DEVELOPMENT PROJECT - 649-0113

Section 4.1

Letters of Agreement exchanged between the Project Management Unit (PMU) and Ministry of Livestock, Ministry of Agriculture, National Range Agency, Ministry of Public Works, and Water Development Agency defining the role each is to play in the project and outlining the contributions in kind for each organization.

Proof that the 200 hectare seed farm has been allocated to the project.

A statement that office workers, laborers, and other supporting staff are under the direction of the Project Management Unit.

Proof that sites at Bonka, Baidoa, Mogadishu and four districts have been allocated to the project for construction of housing and offices.

The GSDR is in compliance with the above.

CHRON COPY

DEC 9 - 1980

NNNNVV ESB024ESA740  
RR PUGMDI  
DE RUEHC #4368 3421607  
ZNR UUUUU ZZH  
R 071255Z DEC 80  
FM SECSTATE WASHDC  
TO AMEMBASSY MOGADISHU 0335  
BT  
UNCLAS STATE 324368

STATE 324368  
ACTION: AID-2  
INFO: AMB  
DCM  
CHRON

AIDAC

E.O. 12065: N/A

TAGS:

SUBJECT: AIP 698-0410.36 - POULTRY DEVELOPMENT

REF: STATE 289834

I.E.E. FOR SUBJECT PROJECT APPROVED DECEMBER 4, 1980-AND  
WITH THIS ACTION THE PID IS APPROVED. AFR/RA WILL PREPARE  
CONGRESSIONAL NOTIFICATION BUT WILL HOLD IT UNTIL FUNDING  
IS AVAILABLE. MUSKIE

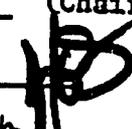
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D/DIR	✓	
CONT	✓	
PROG		
PR. DES.		
AGR.	✓	SAF 2-1 ✓
HEALTH		
MGT.		

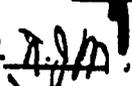
MEMORANDUM

ANNEX V

DATE : 19th May, 1981  
TO : Michael H.B. Adler, Director  
FROM : Poultry Development Project Review Committee  
SUBJECT : Poultry Development Project 698-0410.36

Sharon Fee  (Chairperson)

James Livingston 

Nick Mariani 

James Shea 

BACKGROUND :

Your signature is required on the attached Project Paper facesheet and on the Project Agreement.

The committee members have reviewed, revised and rewritten the subject project and the committee members recommend approval.

Delegation 141, Section 2 gives authority to the Principal AID Officer in Somalia to approve and authorize projects having a life of project value of under 5 million dollars.

No PAF is required nor is a 611(e) certification for small projects, (\$500,000 or under). In accordance with regulations in Handbook 3, all other sections have been included.

DESCRIPTION :

The project consists of a program to assist backyard chicken farmers to increase their income and protein consumption through the establishment of a chick distribution system. Hatching eggs will be imported from the U.S. and hatched at the Km. 7 hatchery. 4,000 breeders will be reserved to establish a nucleus breeding flock. All other chicks will be distributed to farmers at 4-6 weeks of age. The Ministry of Livestock Forestry and Range, (MLFR) will be the implementing agency; their farm at Km. 13 will be renovated under the project.

A technical package consisting of extension assistance, feed concentrates and medication will be provided to farmers.

AID's contribution of \$500,000 over a two year period will be used to supply technical assistance, training and commodities. The waiting period has expired for the CN and funds are now available. (Attachment B - State 103789)

RECOMMENDATION :

That you sign the attached project paper facesheet (Attachment A) and thereby authorize funding.