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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR SOMALIA\*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
1987-1991	IPF for 1987-1991	28 050 000
	Other resources programmed	<u>33 200 000</u>
	Total	61 250 000

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\*Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programme by sector.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. Somalia is one of the world's least developed countries with a gross national product (GNP) per capita no greater than \$300. About 55 per cent of GNP is attributable to the primary sector, while industry contributes approximately 12 per cent and services 33 per cent.
2. The predominant activity is nomadic pastoralism. Some two thirds of the population is engaged in livestock-rearing, and this subsector on its own contributes over 40 per cent of GNP and 75 per cent of export earnings. A further one fifth of the population are farmers producing principally maize, sorghum and oilseeds, supplemented by the cash crops of a small commercial sector. Manufacturing and processing activities consist almost entirely of State-owned enterprises mainly producing import-substitution goods. The major service activities are also State-dominated.
3. The Somali economy has suffered from long-term economic stagnation, but the 1980s are proving to be a decade of fundamental change. At the start of the decade, GNP per capita was little higher than it had been at independence 20 years previously. But the urgent need to stimulate the economy led in 1981 to the implementation of a radical adjustment programme supported by two successive Stand-by Arrangements with the International Monetary Fund (IMF). The programme comprised exchange-rate changes, a loosening of controls on agricultural pricing and marketing and reduced public borrowing from the domestic banking system. In 1982 the economy enjoyed buoyant growth, but in 1983 major problems recurred with new border tensions, restrictions on cattle imports and a poor second crop season towards the end of the year. A new medium-term recovery plan was drawn up, including a public investment programme for 1984-1986, and this was approved at the first Consultative Group meeting of donors in October 1983. Problems persisted during 1984, and in January 1985 donors were again convened to provide support to help to bridge the widening balance-of-payments gap. During 1985, the Government was engaged in a protracted dialogue with IMF and with the donors, leading up to another Consultative Group meeting in November. Apart from balance-of-payments support, the Government looks to donors to provide capital and technical assistance resources for its major development programmes set out in the new public investment programme for 1986-1988.
4. At mid-decade, a number of fundamental problems persist. Domestic resource mobilization continues to be inadequate. Consumption has exceeded GNP (at market prices) since 1983, and at the end of 1984 the budget deficit was estimated to be about 18 per cent of GNP. Partly in recognition of these problems, the Government in 1985 set up a new Ministry of Revenue with the intention of expanding the resources base and improving the management of public spending.
5. With more assured public resources, there is the prospect of increased spending on economic and social services, and on public sector salaries. Low and falling real remunerations among public employees have detracted hitherto from the productiveness of development programmes.

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6. On the most optimistic assumptions, it is likely that in the medium-term the Government will need to continue to depend largely on external assistance for the funding of public capital expenditure, for financing key imports - especially food and fuel - and for balance-of-payments support.

7. Official projections of economic growth anticipate an average annual expansion of between 4 and 5 per cent from 1984 to 1989. With livestock output expected to grow at a slower rate, most of the increase will be derived from crop production, fisheries and manufacturing. The livestock subsector is confronted by limitations of range carrying capacity exacerbated by periodic drought. The prospects for growth in production of major crops are much more sanguine, however, if markets remain relatively free and if ongoing research and extension efforts result in improved technologies and the increased use of key inputs. Studies have shown that yields of major crops could be raised between two and three times. Fisheries is as yet a small subsector, accounting for less than one per cent of GDP, but again prospects for expansion are good if increased foreign and domestic demand is forthcoming. The outlook for manufacturing depends on substantial rehabilitation and improvements in efficiency. But there is a good growth potential based on existing capacity among public enterprises and on the assumption that the economic climate continues to be beneficial for the establishment of new private sector enterprises.

8. Recurrent drought conditions and the continuing presence of substantial numbers of refugees (which represent the largest burden of any country when compared with population size) are expected to be impediments to economic progress in the future

#### B. National development strategies

9. The planning and policy framework of the Government is set out in periodic multi-year national plans and in the three-year public investment programmes. The current national plan is of five years' duration, is coterminous with the third programming cycle, and will be followed by a new five-year plan for the period 1987-1991. A more recent, and comprehensive, enunciation of development priorities is contained in the national development strategy and programme issued by the Ministry of National Planning in September 1985. This document contains the latest public investment programme covering the three years 1986-1988 and setting out detailed objectives and strategies by sector, for that period. A summary of the policies and strategies designed to meet these objectives is listed below:

(a) Livestock and rangelands. Measures to assist nomadic pastoralists, to raise productivity and improve rangeland quality and to enhance animal health services;

(b) Agriculture. Improvement in yields through more research and extension; enhanced co-operation between research and extension with particular attention to rainfed farming; extension of irrigated and rainfed

farming areas on the basis of improved farming systems; improvement in farm management advisory services; promotion of seed multiplication centres and increased supply of fertilizers. Diversification of production through encouragement of crops for agro-industries and export;

(c) Fisheries. Improvement of infrastructure, maintenance, storage and refrigeration facilities to serve both industrial and artisanal fisheries; training to enhance technical capability;

(d) Mineral resources. Intensification of surveys and exploration for mineral resources and underground water; studies to determine commercial feasibility of exploitation where economic deposits are identified;

(e) Manufacturing. Maximum utilization of indigenous raw materials in agro-industries and in construction; use of labour-intensive techniques, where feasible; enhanced efficiency of public sector manufacturing; rehabilitation of physical plant in public sector manufacturing enterprises; extension of credit to public and private manufacturing enterprises;

(f) Energy. Promulgation of national energy demand and supply strategy backed by appropriate legislation; strengthening of the management capacity of the national energy utility; investigation of the economic viability of alternative sources;

(g) Water resources. Preparation of a master plan for the use of water resources; extension of access of rural and urban population to surface and groundwater resources through participatory means; training in well-drilling and maintenance; promotion of economically self-supporting urban water schemes;

(h) Transport and communications. Continuing investment in infrastructure, particularly roads and ports; improved communications facilities;

(i) Education. Extension of primary education to over 50 per cent of the relevant age group; reasonable expansion of secondary education; improvement of teacher training and of curricula; further Somalization in higher education;

(j) Health. Extension of rural primary health-care services; building of more hospitals and dispensaries; special campaigns against principal infectious diseases; improved water supplies and sanitation;

(k) Manpower and employment. Wider provision of required practical skills; maximization of labour productivity; encouragement of self-employment activities in the informal sector;

(l) Planning and statistics. Strengthening of planning expertise in planning and sectoral ministries; improved interministerial co-ordination; broadening of statistical coverage; completion and analysis of national population census;

(m) Regional and rural development. Encouragement of participation of rural people in development projects through the establishment of co-operatives; encouragement of economic activities in rural areas to raise incomes and generate employment opportunities with special attention to women and youth.

10. The national development strategy and programme provides details of funding requirements and anticipated services for the public investment programme for the period 1986-1988. It is evident that the preponderant need is for "capital" assistance.

### C. Technical co-operation priorities

11. In sectoral terms, the Government is placing priority on technical assistance in agriculture, infrastructure, education, manpower, planning and regional/rural development. The public investment programme indicates total technical assistance requirements averaging \$43 million per year during 1986-1988 (in commitment terms). These needs are probably underestimated insofar as many capital assistance projects in Somalia of necessity incorporate large components of technical assistance. The true annual figure - in line with estimates of previous years made by the UNDP/World Bank technical co-operation assessment mission - is probably more than twice as high, probably over \$100 million per year. The most recent Consultative Group meeting of donors has reaffirmed the need for technical assistance to be provided on a grant basis and it is likely that an annual amount of this order will be committed during the fourth cycle period.

12. There are several areas of weakness in Somalia's development efforts. The first area is the management of the development process itself which, by virtue of the fact that the entire development budget is funded by external assistance, is inextricably bound up with aid co-ordination and with project planning formulation, appraisal and evaluation. The second area is manpower development where it would be vital to assist the Government in promoting technical and vocational training and strengthening its public administration. It would considerably enhance the effectiveness of the technical co-operation process if strong measures such as salary increases were taken. The other areas of concern relate to the productive use of resources, particularly for the sound development of the rural economy: food production, water management, health services and improved communications. Characterizing technical assistance needs in a general manner, they will feature the development of basic practical manpower skills and techniques and the maintenance and rehabilitation of capital assets.

### D. Aid co-ordination arrangements

13. On the Government side, aid co-ordination responsibilities have been formally vested in the Ministry of Foreign Affairs since May 1984. The Ministry acts as the official channel of communication between Government and donors and acts as the mouthpiece of the Government in policy matters.

Technical and substantive co-ordination questions, including appraisal and evaluation, continue to be the responsibility of the Ministry of National Planning and, for major loan-assisted projects, the Ministry of Finance.

14. On the donor side, there are informal monthly meetings held in the UNDP office in Mogadiscio under joint UNDP/World Bank chairmanship and attended regularly by a selection of major donors represented in Somalia. The group does not take policy decisions on behalf of donors but facilitates exchanges of informal views and of information on matters of mutual concern. The public investment programme and the recommendations of the UNDP/World Bank technical co-operation assessment mission were subjects of active discussion in 1985 and will continue to be focuses of attention in 1986 and beyond.

15. The principal formal joint mechanism for aid co-ordination is the Consultative Group meeting convened periodically in Paris under World Bank chairmanship. The first such meeting was convened in Paris in October 1983 to consider the Government's public investment programme for 1984-1986. Donors were convened in January 1985 to consider emergency financial 'gap-filling' proposals in support of the Government and again in November 1985 to examine and endorse the new public investment programme for 1986-1988.

## II. THE COUNTRY PROGRAMME

### A. Assessment of current country programme

16. The third country programme was formulated in tandem with the coterminous five-year plan and thus can be said to have reflected its broad priorities. The prerogatives of the continuing economic difficulties led to the formulation of two public investment programmes for the periods 1984-1986 and 1986-1988, to underpin medium-term recovery programmes. The programmes amounted to a reordering of priorities amongst capital investment projects, which are entirely foreign-financed, but made little difference to patterns of technical assistance.

17. Substantively more significant was the impact of the 1983/1984 drought, which highlighted the need for improved information on and management of the country's natural resources without, however, leading to the funding of any entirely new projects from indicative planning figure (IPF) resources.

18. Funding parameters had a rather greater impact on the scope of the approved third cycle country programme. The original illustrative IPF for 1982-1986 was \$48 million but this figure was reduced to 55 per cent as the result of UNDP's funding restrictions. With these reductions, the IPF for 1982-1986 was established at \$25.4 million.

19. The third cycle country programme has broadly defined objectives but has also identified a number of precise areas of concentration. With declining resources, some of these lost their priority rating for technical assistance support and have still not materialized. Others retained their priority but were either delayed owing to a variety of processing difficulties

or directed to different aid donors. In addition, some new project concepts emerged to which no reference was made in the programme. New projects, however, encountered various delays. Imperfect project design was one reason. Throughout the cycle, projects have also suffered from serious shortfalls in counterpart resources of cash, manpower and essential inputs such as fuel, reflecting the serious economic difficulties confronting the country.

20. A review in mid-September 1985 of the country programme in the current third cycle in which all major participating United Nations agencies took part provided a critical analysis of implementation and results.

21. The review resulted in recommendations designed to enhance delivery of UNDP-funded technical assistance. By the end of the current programming cycle in 1986, it is estimated that approximately \$24 million of technical assistance will have been delivered. The breakdown by sector reveals that a major portion (35 per cent) will have been directed at primary activities (including agriculture, livestock, forestry and fisheries), and 18 per cent at non-sector-specific manpower development. These major concentrations broadly reflect the resource priorities of the Government as originally allocated. In addition, UNDP has supported a major project of assistance in development planning which, on its own, will have absorbed about 15 per cent of programmed funds.

22. Compared with other technical assistance programmes, UNDP expert input has been large (about 75 per cent), while training has accounted for less than 7 per cent. The replacement of long-term resident experts by shorter-term experts could be contemplated if accompanied by concerted training activities and intensive counterpart involvement. Alternatively, foreign experts could be increasingly substituted by national experts or by United Nations volunteers. However, the Government's support for the large United Nations volunteers programme (UNV) in Somalia is currently affected by the wish to absorb more of its qualified unemployed nationals into development projects. A further potential source of skills are expatriate Somalis, but conditions appear to be changing only very slowly in favour of programmes which could assist in utilizing these skills.

23. Manpower resources in the public sector assigned as counterpart personnel are also in very short supply. Such continuing manpower shortages, however, circumscribe absorptive capacity and make prioritization obligatory since those projects which receive adequate support can be assumed to have the highest importance. Incentive payments could be increasingly made out to Government cash counterpart contributions (GCCC) and should be related to tangible outputs produced by the beneficiaries, although certain training allowances could be supported by IPF resources.

24. Somalia is participating in a number of regional projects. Although the benefits to the country have been modest, in the fourth cycle regional projects will be examined more closely to determine their complementarity with national projects.

25. Although technical co-operation among developing countries (TCDC) was not mentioned specifically in the third country programme, its importance is fully recognized by the Government and efforts to follow this new direction will be actively pursued in the fourth programme.

B. New programme proposal

26. The framework of the fourth country programme consists of seven main development objectives. The programme is characterized by several distinctive features including support for central and regional planning, promotion of remunerative development activities in rural and outlining areas, provision of practical manpower skills and the strengthening of management and communications infrastructure in support of practical development goals. A special feature of this programme is the emphasis on more direct delivery of technical assistance to the most deserving beneficiaries.

Enhancing the Government's capacity to plan and formulate development strategies and to design, appraise, monitor and evaluate development projects within the framework of such strategies

27. Primary responsibility for planning in Somalia rests with the Ministry of National Planning. Currently there are three types of plans: The public investment programme, the five-year development plans and annual plans. The Ministry is responsible for preparing and monitoring these plans and for screening projects. Planning units in the main sectoral ministries are responsible for preparing sectoral programmes and policies as well as projects in their respective sectors. The Ministry of Finance prepares the recurrent and development budgets and has recently established a system for financial monitoring of the implementation of the public investment programmes.

28. The need to strengthen the planning system has been recognized for a long time and external assistance on a large scale has been provided by UNDP and by many other donors for several years. The most recent UNDP project (SOM/82/002) has been mainly concerned with providing direct support to operational work. Development projects in Somalia are entirely funded from external sources. The need has never been so pressing to co-ordinate this extensive support so that it conforms with the Government's development priorities and, equally important, can be adequately absorbed within the country's administrative, financial and technical capacities. The role of the Ministry of National Planning is primordial in these tasks. UNDP, by dint of its multilateral objectivity as a funding agent, is well placed to provide a further phase of support.

29. The project ongoing in the third cycle (SOM/82/002) will be phased out during 1986.

30. Planning and Development Management (New). A new project, with \$2 million funding from the IPF and \$1 million from the Special Measures Fund for the Least Developed Countries, is expected to commence at the beginning of 1987, for an initial period of two to three years, encompassing the following

objectives: assistance in the design, appraisal, monitoring and evaluation of development projects including the determination of all internal and external cost implications; assistance in training national personnel, in planning techniques and in formulation of national and regional (subnational) plans; and strengthening of the major documentation, statistics and computer analysis services of the Ministry of National Planning.

31. Baki District Development (New). A project proposal is being formulated to provide for a long-term operational plan to be drawn up for the development of the Awdal region, with particular attention to the Baki District. This plan will determine the needs of the area and include specific project outlines for the development of the primary sector, and basic infrastructure including roads. It is anticipated that, over and above the \$1.5 million from the IPF, additional support in the amount of \$2 million will be provided by the United Nations Capital Development Fund (UNCDF).

32. Because of the pivotal nature of this assistance in Somalia's development assistance spectrum, this project will have lateral linkages with many other ongoing projects and, in particular, those in the Ministry of National Planning, including the United Nations Fund for Population Activities (UNFPA) assistance to the 1986 census. Even more than in the past, the project can also be expected to work closely with bilaterally and multilaterally assisted projects of support to planning departments in various line ministries, as well as the Central Bank and Ministry of Finance.

Strengthening manpower development: support for civil service reform and public administration and upgrading technical and vocational training (including for the disabled)

33. Much attention is now being given to improvements in the capacity and effectiveness of Government ministries, departments and technical institutions as well as schools and other training establishments. The lack of adequately trained staff, aggravated by emigration, has become a serious bottleneck for sustained development.

34. Another factor which impedes development is the civil service structure which is not adequately oriented towards development activities. Initiatives have been directed at improving organization and management. However, further efforts will need to be supported by a full needs assessment survey. UNDP inputs could be used selectively in support of the Government's ongoing process of civil service reform and training, as recommended by the Somali civil service study conducted by the United States Agency for International Development (USAID) and endorsed by the technical co-operation assessment mission's report.

35. High priority is also placed on manpower development outside the civil service, including in the formal and informal sectors. UNDP has been supporting these goals through several relevant technical co-operation projects (e.g. Somali Institute of Development Administration and Management

(SIDAM) - SOM/80/004; Vocational Rehabilitation - SOM/80/003; Technical Teacher Training - SOM/81/002; Civil Aviation School - SOM/81/014), and it is planned to continue such efforts in this programme, focusing on multisectoral skills development for national development, self-reliance and gainful employment generation.

36. UNDP projects in the fourth programme will operate in areas such as administration and management development, technical and vocational education, vocational training and trade testing, vocational rehabilitation of the disabled, accountancy training and consulting and secretarial/office management training. In view of the need for additional resources to be available to respond to needs in this important area as they arise, the programme provides for a reserve of \$50,000 from the IPF.

37. Reform in Tax Policies and Revenue Administration (New). The main rationale for this project, with \$600,000 funding from the IPF, is the Government's need to enhance domestic revenue mobilization by improving the collection of existing taxes and duties and reforming the present tax system. The project will aim at assisting tax reform in order to generate new and additional revenues; improving significantly the enforcement of existing taxes and duties; and enhancing the technical and managerial capacities of tax and customs officials.

38. Assistance for Accountancy Training/Consulting (New). UNDP and the International Labour Organisation (ILO) have supported SIDAM as the natural management training centre for Somalia since 1969. In 1985, the Government asked SIDAM to become the national focal point for accounting training and consulting in Somalia, requiring a new kind of support to retain and develop selected 1985 MBA graduates as a long-term SIDAM accounting faculty. This proposed project, with \$350,000 funding from the IPF, will provide future accounting training/consulting faculty members of SIDAM, thus reducing dependence on international experts.

39. Secretarial Training Centre (SIDAM) (New). A lack of secretarial skills affects the performance of many public and private organizations. The objective of this project, with \$400,000 funding from the IPF, and which is also to be based at SIDAM, is to strengthen and improve the performance and productivity of the only national training centre in Somalia for professional secretaries in government, public and private organizations.

40. Upgrading of Technical Education (New). A number of studies commissioned by the Government have recommended that the major thrust in technical and vocational education should be on quality improvement instead of quantitative expansion. Quality improvement needs a change agent to investigate problems and suggest feasible solutions to improve quality. The Technical Teachers' College is well placed to supply the most important resources in the system, that is, the teachers. This project with \$2.4 million from the IPF, will aim at building on the resources of the College at Mogadiscio as the National Staff College for technical and vocational education in order to initiate

quality improvement measures in the whole national system; strengthening the Ministry of Education to implement quality improvement measures in technical and vocational education on a national scale and developing the technical schools as institutions of excellence.

41. Vocational Training (New). The project, with IPF funding of \$300,000, will provide technical assistance to the Training Department of the Ministry of Labour in order to develop a comprehensive national training programme including the conduct of an industrial training needs survey, establishment of a feedback information system and setting of trades standards, testing and certification.

42. Establishment of a Secretariat of the National Council of Social Welfare in Disability Aspects (New). An estimated 10 per cent of the Somali population is permanently disabled to some degree. This project, with IPF funding of \$350,000, aims at establishing a Secretariat for the National Council of Social Welfare which, inter alia, co-ordinates, promotes, monitors and evaluates disability programmes. The project will prepare a national programme for disabled persons and train staff required for its implementation.

43. Umbrella Project for Consultancies and Fellowships (New). The objective of this project, with IPF funding of \$300,000 and a programmed reserve of \$50,000, is to cater for Government's needs for short-term consultancies and fellowships in fields not specifically covered by ongoing projects but which are relevant to the Government's development activities.

#### Linkages

44. Most of these projects will have some linkages with previous or ongoing projects of assistance funded by UNDP or other donors such as USAID, West German Office of Technical Co-operation (GTZ) and the Italian Government. USAID helped to initiate a comprehensive attempt to reform the civil-service and in 1984 a major study was undertaken on the subject. GTZ has been providing substantial assistance in the area of adult and vocational education for which a major study was produced in 1984. USAID also funded a review of the education sector in 1984. These studies will be used to guide and orient assistance in this fundamental area of development. UNDP assistance will be closely co-ordinated with the efforts of these and other donors and will draw on the valuable experience of programmes such as ILO's Jobs and Skills Programme for Africa (JASPA), and the benefits of UNFPA support to women's education.

#### Facilitating increases in the production of staple foods, livestock and fisheries by small farmers, herders and fishermen with emphasis on rainfed and coastal areas

45. Nomadic pastoralism is the principal economic activity in Somalia. Livestock production contributes about 40 per cent of GNP and 75 per cent of export earnings and is of critical importance to the livelihood of a majority of the Somalis. The country is very sparsely populated, but total livestock

herds (camels, cattle, sheep and goats) outnumber the human population by seven to eight times. Rangeland capacity is therefore under severe strain, exacerbated by uneven concentrations of people and livestock and poor rains in recent years. Forage production, nutrition and health services will be key elements in any future livestock strategy which will need to be based on careful planning with regard to the disposition of water and rangeland resources.

46. Crop production absorbs about one fifth of the working population, for the most part subsistence farmers in rainfed areas cultivating sorghum, legumes and sesame for domestic consumption. The yields of most rainfed crops are low and considerable potential exists to raise yields through better farming practices and quantitative and qualitative increases in key inputs. Technical assistance to research and extension, promotion of rural credit and farm co-operatives and agricultural marketing could be expected to yield fruitful results.

47. As recommended by the World Bank-sponsored agricultural sector survey, there is also much scope to increase land productivity through the promotion of integrated crop and livestock systems (possibly incorporating agro-forestry), in selected areas.

48. Annual landings of fish are little in excess of 10,000 tons and the subsector is still very small. It has been estimated, however, that the marine fishing grounds along the 3,300 km coastline could yield up to 180,000 tons per annum if technical and marketing obstacles could be overcome. Most of the fish resources consist of small pelagic species including sardines, anchovy, round scad, mackerel and herring, and there are also important stocks of large pelagics such as grouper, snapper, sea bream and sharks. Experience with the promotion of small artisanal fish production has been rewarding so far and extensive scope exists to expand assistance to more coastal communities.

49. During the fourth cycle period, a number of major capital projects are being proposed in the agricultural sector. This objective intends to focus particularly on assistance to small farmers, herders and fishermen, particularly in the drier parts of the country where the needs are the most acute.

50. Rural Credit for Co-operatives and Small Farmers (Ongoing). This project will follow from an earlier phase which has shown successful results in promoting small farmer seasonal credit operations on a pilot scale. The project has also encouraged the emergence of institutional arrangements in the banking sector to facilitate the expansion of rural credit. With \$1 million funding from the IPF and a further \$1 million from UNCDF, a future phase of this project is expected to see a further substantial expansion in rural credit operations extended from seasonal to medium-term; the project will lead to the creation of a full-fledged rural credit institution and enhance the prosperity of small farmers by providing key inputs to raise their productivity.

51. Agricultural Research (Ongoing). UNDP and the Food and Agriculture Organization of the United Nations (FAO) have been supporting agricultural research into farming systems in irrigated areas for many years. A further phase of assistance (IPF funding: \$750,000) is anticipated to give increased priority to research into rainfed farming systems and to research into agriculture in the northern regions. Further assistance, however, will need to take into account the nature and scope of the substantial new programme of assistance to agricultural research being proposed by USAID for commencement in 1986 or 1987.

52. North-West Coast Fisheries Development (Phase II) (Ongoing). This project will be a continuation of SOM/81/012 whose major objective has been to establish a fishing centre in Berbera with necessary facilities and equipment absorbing local artisanal fishermen. The present project has successfully created gainful and remunerative employment for over 100 local people, as well as providing sources of cheap protein to a growing population in the hinterland. Under phase II, IPF resources (\$600,000) are expected to complement further capital assistance from UNCDF (\$1.3 million) to build two more centres at Lughaya and Zeilah.

53. Ye'eb (Yocob) Nut Development (New). This proposed three-year project, with IPF funding of \$400,000, will assist the Government to assess the potential of the Ye'eb nut a cash crop in Somalia by investigating Ye'eb under controlled horticulture practices in the areas where it grows naturally (the central dry areas of the country). Investigations will be conducted on fertilizer use, propagation, processing, pests and storage. The strong local demand for Ye'eb nuts indicates that the nut has good export potential and international markets will be studied with trial shipments to confectionary firms in Europe and the United States.

54. Livestock Extension Services (New). UNDP and FAO have provided support over several years to the Veterinary Laboratory covering diagnostic services and vaccine production for the protection of livestock throughout the country. Future assistance (\$700,000 from the IPF) should concentrate on a national extension system to improve delivery services and disease surveillance systems. This assistance would incorporate facilities for vaccine distribution, specimen transmission and disease reporting, so that regional needs can be rapidly assessed and expeditiously met.

55. Land-Use Planning (New). The objectives of this proposed project, with \$1.5 million funding from the IPF, are to establish a Unit of Land Resource Survey and Land-Use Planning within the Ministry of Agriculture in order to produce key guidelines, resource maps and data leading to a comprehensive inventory of the country's land resources in order to facilitate comprehensive agricultural project planning.

#### Linkages

56. Somalia has been the beneficiary of several large bilaterally and multilaterally funded projects in livestock disease control, range management, irrigation, agricultural extension and fisheries. Most of these projects have

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concentrated on strengthening institutional arrangements in support of improved management of the agricultural sector. In this programme, UNDP resources will be used to fund projects designed to assist beneficiaries more directly. This assistance will be complemented by UNDP-funded regional projects such as RAB/84/020 on Fisheries Co-operatives; RAB/84/021 on Fisheries Information; and INT/81/034 on Tuna Resources Development and Management in the Indo-Pacific Region. UNCDF resources are expected to fund the construction of low-cost housing for agricultural research workers and to continue supporting artisanal fisheries development in the north-west through the provision of buildings and equipment.

Enhancing the management of the environment and the development of natural resources, including water and forestry

57. Water resources development is clearly pivotal to Somalia, much of which is semi-arid and subject to sparse and unreliable rainfall patterns. Knowledge of the resource potential is as yet in its infancy, however. Groundwater resources have been tapped in most parts of the country on a generally arbitrary and uninformed basis, sometimes with disheartening results. There are serious water quality problems in some areas. Also in parts of the Shebelle alluvial plain there has been over development. Surface water resources consist substantially of the perennial Juba and Shebelle rivers but, with only an estimated 1 per cent of annual rainfall being productively captured, it is evident that there are also considerable possibilities for harnessing non-perennial rainfed sources throughout the country as well as subterranean streams and springs, particularly in the northern regions.

58. About 90,000 km<sup>2</sup> (14 per cent) of the country's land area can be classified as forest but of this total, only 1,000 km<sup>2</sup> is high forest and 62,000 km<sup>2</sup> is bush savannah, while the remainder is intense savannah. The sector has significance as a supplier of firewood and charcoal - the primary energy resources in rural areas - and as sources of important primary exports, such as myrrh, incense and gum arabic. Forestry contributes about 4 per cent of GNP but the sustainability of the resources is not assured and more effective management is required. A serious desertification problem is also posed by sand-dune encroachment particularly in coastal areas between Adale and Brava and in parts of the central rangelands. Only a very minor proportion of the sand dunes have been stabilized so far but several externally assisted projects are under way to accelerate the process.

59. A programmed reserve of \$500,000 is provided for out of the IPF to accommodate further proposals for assistance in connection with drought preparedness and long-term water relief projects.

60. National Water Data Centre (Ongoing). This project, commencing in 1986 with \$650,000 from the IPF and \$200,000 from UNCDF, will establish a National Water Data Centre in the Ministry of Water and Mineral Resources. The Centre will collate and manage all relevant sources of water data as a basis for

planning, preparation of maps, hydrological inventories, periodical information bulletins and technical papers. The project is expected to lead to the drafting of a national master plan and will therefore make a key contribution to greater water security for the country in the future, through the identification of development needs.

61. Establishment of Range Water Development Unit (New). This project has been conceived as a follow-up to SOM/83/001, Rehabilitation of Rural Water Reservoirs, expected to achieve its objectives by the end of 1986. By establishing a Range Water Development Unit in the National Range Agency of the Ministry of Livestock, Forestry and Range, this project, with IPF funding of \$600,000, will seek to improve water resource use for livestock and forestry through better planning and management.

62. Environmental Management (New). Floods, drought, wind, gully erosion and fuel-wood extraction all contribute to environmental deterioration in Somalia. This proposed three-year project, with IPF funding of \$450,000, will assist the Government to make a comprehensive assessment of the state of its environment. An inventory of environmentally degraded areas and locations will be established and a long-term plan of recovery will be prepared. This plan will include programmes of recovery of the most seriously affected areas and protective measures for minimizing further degradation as well as the supporting institutional arrangements. Funds will also be available for information support programmes, training and demonstrating appropriate techniques.

63. Rehabilitation of Ballis (New). Ballis, or small natural surface-water reservoirs, are numbered in tens of thousands throughout the country. During the dry season, they may represent virtually the only sources of water for human and livestock consumption in many areas, but are liable to evaporate completely. The capacity and effective life of many ballis can be substantially increased through low-cost rehabilitation and maintenance based on careful design. Under this project, with IPF funding of \$500,000 and \$1.3 million from UNCDF, a mobile unit for balli rehabilitation would be created under the auspices of the National Range Agency. The unit would be equipped with small earth-moving machines and would assist communities in designated areas to excavate silt, remodel ballis and train the communities to maintain them.

64. Community Forestry (New). This proposed project, with \$1 million funding from the IPF and \$1 million from the United Nations Sudano-Sahelian Office (UNSO), will promote the involvement of rural communities, particularly near larger villages, refugee camps and resettlement areas, in forest production and protection through demonstration, extension and other technical services. The project will create three village nurseries and one larger central nursery and replant about 400 hectares over a three-year period.

65. Forestry Development and Strengthening of the Forestry Department (Revision). This \$300,000 IPF technical assistance project is proposed as follow-up to the UNDP-funded Co-ordination and Monitoring Assistance to Forestry (SOM/82/005), scheduled to end in 1986. In a further phase, the Government will be supported in the formulation of a national forest policy, revision of forestry legislation and the establishment of a legally constituted permanent forest estate.

66. Mineral Exploration and Development (Revision). The Geological Survey now possesses a basic infrastructure (laboratories, cartographic section) established by several UNDP projects and the work already done could be used as a platform for further development. The proposed project, with \$700,000 from the IPF and \$2 million in cost-sharing, will give increased attention to mineral exploration and would involve local staff in modern exploration methods and include an improvement of present library/documentation facilities. The project will aim at establishing a well designed exploration programme with suitable data collection, storage and retrieval systems; training nationals in modern exploration methods; evaluation and documentation of main mineral deposits and identification of mineral deposits which merit exploration. Further assistance will be contingent on a substantial increase in Government counterpart commitments. UNDP will also undertake to seek substantial cost-sharing support to finance the above proposed assistance.

#### Linkages

67. There are several major externally assisted projects in the area of water, including those funded by the United Nations Children's Fund (UNICEF). The targets for assistance designated by the projects proposed above will be complementary to projects funded by other sources. Joint projects with UNICEF could be envisaged, however.

68. In the area of forestry, there are major ongoing projects in sand-dune fixation, reforestation and fuelwood plantation funded by several bilateral donors, some under UNSO auspices. These projects are expected to continue, and their size and scope emphasizes the importance of strengthening the Government's administrative capability in this area. Other UNDP assistance will be directed at different geographical areas but will draw extensively on the experience of the UNSO projects which are monitored on a day-to-day basis by the UNDP field office.

Support to integrated development activities to improve the quality of life of rural people through better water, health, shelter, mobility and energy resources as well as income-generating activities relating to agriculture and other local resources

69. The preponderance of nomadism amongst rural dwellers underscores the complexity of targeting assistance on rural communities in Somalia where 75 per cent of the population is rural. The needs of rural people are many and basic: information, education, food, water, health facilities, communal

infrastructure and communications, shelter and energy. Rural development projects seek to address these needs together or in phases, on a self-reliant or externalized basis, but in such a manner as to leave the beneficiaries permanently better off. Refugee settlements could be targets of such assistance.

70. UNDP resources could be used to assist the Government to sponsor localized initiatives in various strategic ways, through direct applications of technical inputs, through local personnel and voluntary organizations or in close collaboration with them. These initiatives would feature support for integrated farming systems, incorporating livestock and forestry as appropriate; primary health care; water supply and energy schemes based on appropriate technology; labour-intensive infrastructure and housing schemes; and technical training oriented towards local management of resources and local raw materials to the extent possible. In addition to funds earmarked for the project below, a reserve will be provided for this objective of \$10 million (IPF: \$2 million; UNCDF: \$2 million; UNICEF, World Food Programme (WFP), UNFPA, UNV: \$4 million; cost-sharing: \$2 million) to fund integrated development activities in rural and outlying areas.

71. Obbia District Development (New). Obbia is a town on the Indian Ocean coast in the central region of Mudug. It offers considerable potential for development of remunerative primary sector activities including agriculture, livestock and fisheries. A project proposal will be formulated after a careful evaluation of the needs of the area, incorporating both technical and capital assistance inputs, the latter to be considered for funding by UNCDF (\$2 million), while \$1 million will be provided for the former from the IPF.

#### Linkages

72. UNSO is assisting Somalia in developing alternative energy sources such as wind energy for the benefit of rural communities. Discussions are being held specifically with UNICEF, WFP and UNFPA about the possibilities of joint projects being undertaken with one or more of these partners in the priority areas of water, health and infrastructure. Project proposals will also take full account of already ongoing programmes such as USAID's assistance to rural development through private volunteer organizations.

#### Support to the expansion and improvement of communications, especially for the benefit of remoter areas

73. In a country with a population of less than 6 million scattered over an area of more than 600,000 km<sup>2</sup> and with large distances separating the major population centres, an efficient transport and communications network plays a key role in efforts to overcome poverty. The basic communications infrastructure in Somalia is rather limited, thus restricting mobility of manpower and goods and information dissemination: 14,000 kms of road (only 16 per cent of them all-weather), three deep-water ports and 10 airports (three of them international) form the core of the transport infrastructure. Post and telecommunications services are very limited, the telephone density being among the lowest in Africa.

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74. The development of communications infrastructure is a capital-intensive process and the Government's public investment programme for the coming years earmarks important investments in ports, roads and telecommunications. Technical assistance is sought primarily for manpower development in these areas where, over the years, lack of trained personnel has proved to be an impediment to more effective planning, management and maintenance.

75. Civil Aviation Development (Revision). Assistance from UNDP and the International Civil Aviation Organization (ICAO) has, since 1968, addressed specific shortcomings in aviation services. From 1982, such assistance has aided the development of a national civil aviation training centre and has helped to expand the technical and managerial capability of the Department of Civil Aviation. More recently, the Civil Aviation Department and its training centres' facilities have been left seriously behind by the advance of high technology which characterizes modern aviation. Somalia is not yet able to meet regionally agreed requirements for air traffic control services. Offices essential to planning and development have yet to be suitably manned. This project proposal, with \$2 million from the IPF and \$2 million in cost-sharing, is designed to strengthen civil aviation staffing, both in numbers and in technical capacity by means of preparatory, basic and specialized training in-country, by specialized training abroad and by direct assistance to particular offices. The objective is for the Civil Aviation Department to attain self-sufficiency in in-country training, in the operation and maintenance of aeronautical facilities and services and in the development of headquarters offices to support and regulate airline operations nation-wide. The Government, on its part, is to provide a substantial monetary input to improve career prospects in the Civil Aviation Department and help to reduce manpower attrition. Third-party cost-sharing is sought for this ICAO-executed four-year project.

76. Establishment of a Test, Repair and Maintenance Centre (New). In 1983 the International Telecommunications Union (ITU) prepared a master plan for telecommunications development for Somalia. Considerable progress has been made in obtaining loans and grants to support implementation of this plan. Investments amounting to over \$40 million are already under implementation and projects for an additional \$30 million were being finalized at the end of 1985. Equipment of the most modern type based on digital technology is being added to the network. The Ministry of Posts and Telecommunications is, however, not yet in a position to maintain these costly assets adequately. With long-standing UNDP/ITU assistance, the National Telecommunications Training Institute (NTTI) has been producing technical personnel for general equipment maintenance. A small number of these will be trained in some contractor work for specific types of equipment and will form the core of the maintenance groups.

77. To enable the Ministry to improve the standards of efficiency and reliability of its telecommunications plant and equipment in their entirety, a new project, with \$1.2 million from the IPF, is proposed with the objectives of establishing a centralized Test, Repair and Maintenance Centre in

Mogadiscio and of developing appropriate test and maintenance procedures. The Centre would also provide on-the-job training for the NTTI graduates before their final assignment to the various Ministries. Co-funding is sought from donors in the amount of \$1 million.

78. Telecommunication Engineering Assistance (New). In view of the Government's intention to replace almost all the existing telecommunications network with new modern equipment and the offers for assistance in the telecommunications sector from various donors, the Ministry of Posts and Telecommunications needs expert assistance to follow-up the implementation of the telecommunications master plan and to co-ordinate the various programmes of assistance. Assistance is also needed in setting up a full-fledged planning and traffic operations and tariffs divisions in drafting loan applications, in overseeing the projects in the pipeline, in drawing up technical specifications, in evaluating tender offers and in ensuring that the master plan principles are followed. A one-year project to be executed by ITU is proposed for funding by UNDP (IPF: \$250,000) and other donors.

79. Port Skills Training (New). This project proposal, with \$450,000 from the IPF and \$400,000 from the World Bank, is to provide skills training for key categories of personnel in the country's three major ports at Mogadiscio, Berbera and Kismayu. Preliminary discussions have already been held with the World Bank on this subject since International Development Association (IDA) funds are being proposed for a fifth port project in Somalia, for which technical assistance may be required with the United Nations Conference on Trade and Development (UNCTAD) or the ILO as implementing agency.

80. District Road Improvement Programme (New). Construction and maintenance of rural access roads, with particular emphasis on the expansion of all-weather roads in the southern and northern parts of the country, is being given priority by the Government. Existing dirt roads are frequently under water during the rainy seasons and subject to rapid deterioration, a situation which hampers communications and curtails normal commercial operations of transporting agricultural produce. District road improvement projects, with \$1 million IPF funding, are proposed to assist the Government to improve local roads in farming and in refugee settlement areas, with an additional \$2 million funding from UNCDF to cover equipment and operating costs.

#### Linkages

81. Some of the major donor countries have in the past provided assistance to civil aviation, and their support will continue to be solicited through capital assistance and cost-sharing of the proposed new UNDP projects. Somalia could also benefit from participation in the regional project on civil aviation training (RAB/84/001). There are also several major ongoing projects of assistance to road-building. The largest capital programme is funded by IDA, while there are technical assistance projects supported by the African Development Bank (ADB) and the Federal Republic of Germany. A project formulation mission will examine the complementarity of the proposed district road improvement project with these other projects. In telecommunications,

there are inextricable linkages between the technical assistance projects proposed and the substantial bilateral capital assistance projects. The offers of assistance, the total value of which amounts to over \$80 million, include loans and grants from the Governments of France, Italy, the Federal Republic of Germany and the United States of America, the Economic Co-operative Fund of Japan, the Arab Fund for Economic and Social Development and ADB. Among the activities for which these funds have been earmarked will be the improvement of telex and telephone facilities in various regions of the country, including Mogadiscio, the installation of the ARABSAT Earth station in Mogadiscio, the establishment of microwave links to Kenya and Djibouti (thus joining Somalia to part of the Middle East and Mediterranean Telecommunications Network) the rehabilitation of the existing domestic network and the setting up of a television service.

#### Strengthening the productive capacity of selected industrial enterprises

82. The manufacturing sector of the economy accounts for little more than 7 per cent of GNP and consists mainly of State-owned enterprises with a total of about 10,000 employees. It is largely composed of medium- and small-scale import-substitution industries, including several based on the processing of livestock, fish and agricultural products. Performance in the public sector is low, and it is considered that much of the potential for improvement of productivity lies in the expansion of the private manufacturing sector, which it is part of Government policy to promote.

83. Industrial development in recent years has suffered from severe underutilization of capacity. Utilization of capacity in some of the major enterprises has been below 10 per cent in recent years owing to a variety of constraints including market size, lack of infrastructure, outmoded equipment, shortage of foreign exchange for raw material and spare parts and acute shortages of trained manpower, both in management and technical fields.

84. The Government's priority areas for change include liberalization of the foreign exchange market and greater financial and management autonomy for public enterprises. The industrial sector needs to attract more entrepreneurial and managerial talent, for example, through the repatriation of skilled Somalis. Some of the public enterprises are receiving technical assistance through programmes which should encourage more foreign private participation through joint ventures. The Government encourages private investment in the industrial sector. Some of the reforms cited, together with a progressive improvement in communications and physical infrastructure, will be prerequisites for attracting more private participation.

85. Assistance for continuing studies and institution-building should now give way to a more direct approach to technical assistance to improve management, skills training and motivation in selected industries and to support Government and bilateral efforts to promote private industrial investment. A reserve of \$250,000 from the IPF and \$2 million in cost-sharing resources is provided under this objective in order to support new industrial initiatives yet to be identified.

86. Industrial Advisory Services (New). Projects funded from the IPF (\$1 million) and the Special Industrial Services (SIS) of the United Nations Industrial Development Organization (UNIDO) (\$500,000) will aim at assessing the performance and viability of selected key industrial enterprises, making recommendations to the Government on the efficiency of those enterprises considered to be viable and assisting the promotion of private investment in the industrial sector.

#### Linkages

87. Proposed projects will benefit from training activities provided by SIDAM under a UNDP-proposed project in accountancy and secretarial skills. This project may also have linkages with other manpower development projects such as those designed to upgrade technical education. Clear linkages will also be established with SIS and other UNIDO projects funded from non-UNDP sources.

#### C. Unprogrammed reserve

88. This programme provides for an unprogrammed reserve of \$1 million from the IPF. Each of the above objectives has been cast in a broad enough mold to allow for some changes of emphasis in Government priorities which could be accommodated by replacing certain projects by others. Taken as a whole, however, the programme does not encompass the whole range of Somalia's development needs and a reserve can provide support for additional projects. One of these projects is related to the establishment of a small centre for the development of low-cost building materials and techniques for low-income population. Another priority project is to establish a programme and logistical support unit in order to ensure the most efficient use of resources in the overall programme.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		
A. <u>UNDP-administered sources</u>	\$	\$
Third cycle IPF balance	(2 000 000)	
Fourth cycle IPF	<u>30 050 000</u>	
Subtotal IPF		<u>28 050 000</u>
Special Measures Fund for the Least Developed Countries	1 000 000	
Special programme resources	-	
Government cost-sharing	-	
Third-party cost-sharing	9 200 000	
Operational funds under the authority of the Administrator (UNCDF and UNSO)	18 100 000	
UNDP special trust funds	-	
Subtotal, UNDP non-IPF funds		<u>28 300 000</u>
B. <u>Other Sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise (UNICEF, WFP, UNFPA, World Bank, UNIDO) <sup>a/</sup>	4 900 000	
Parallel financing from non-United Nations Sources		<u>-</u>
Subtotal, other sources		<u>4 900 000</u>
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u>61 250 000</u>
II. USE OF RESOURCES		
A. Ongoing projects	21 000 000	
New project proposals	26 450 000	
Programmed reserve	<u>12 800 000</u>	
Subtotal, programmed resources		<u>60 250 000</u>
Unprogrammed reserve		<u>1 000 000</u>
TOTAL USE OF RESOURCES		<u>61 250 000</u>

<sup>a/</sup> Not yet fully committed.