



SOMALIA STANDING COORDINATION COMMITTEE

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THE ECONOMY

Regional Profile : Bari

UNITED NATIONS OPERATION IN SOMALIA
DIVISION FOR HUMANITARIAN RELIEF AND REHABILITATION

REGIONAL PROFILE - BARI

OVERVIEW OF THE REGION

1. The coastal region of Bari is the largest of the three North East regions, covering an area of approximately 65,000 square kilometres. It consists of six recognised districts: Gardo, Bender-Beyla, Ishkushuban, Alula, Kandala and Bosasso. The regional capital is Gardo, although as home to the port and economic centre of the region, Bosasso is perhaps the more important town. Bari, like the rest of the North-East, is not densely populated. The region is heartland of the Majerteen Clan, and is dominated by the major sub-clan of Osman Mahamud. The other sub-clans in the region are: Siwakroi, Obeneya, Beshsihe, Ali Jibrahail, K. Tahle and Suletmaji.

2. Being fairly homogeneous, the region escaped most of the ravages of the civil war. With a few exceptions, there was little destruction of buildings or looting of property. There are large numbers of new urban poor in the region, displaced from the southern and central Somalia as a result of the civil war. Many of their families are originally from the Northeast. In addition, many members of the Mogadishu elite originally from the North-East who fled the city during the civil war and settled in Bari. In a number of areas, especially Bosasso, the new urban poor outnumber established residents: something like 75% of the population of Bosasso (pre-war estimated population 30-40,000) are thought to be new urban poor.

THE ECONOMY

3. The economy of Bari is based on trade, mainly with the Gulf States. The principal exports of the region are livestock, fish including crustaceans, aromatic gums and small quantities of agricultural produce. All other items are imported, mostly from the Gulf States and Djibouti. The principal imported items are rice, flour, pasta and milk. The proximity to the Gulf States makes imported goods relatively inexpensive, despite import duties imposed at the port of entry, Bosasso. Currently, most livestock exports are paid for in cash in Arabia and products purchased and imported to the region in lieu of cash payment. Remittances from Somalis resident overseas are common. It is impossible to assess how much support is received by communities in the region from relatives living overseas. It is likely that the balance of trade has deteriorated in line with the recent decline in fish and livestock prices.

4. Livestock is the key sector in the Bari region, the principal export market being Saudi Arabia. While many pastoralists graze their camels, goats and sheep in the lower regions of the Northeast where pasture is more plentiful, virtually all livestock for export passes thorough the Port of Bosasso and the trade contributes greatly to the regional economy. Since the collapse of the Barre regime, there has been no organisation to coordinate the provision of veterinary services, issue health certification and ensure uniform standards of livestock health. Veterinary drugs are also in short supply. Informal certification mechanisms do exist: former Somali

republic documents are issued by veterinary teams under the supervision of a senior veterinarian whose signature is considered sufficient by many livestock inspectors in the Gulf. There is also an informal Veterinary Board Office which checks certificates and re-examines animals. Nevertheless, the health of livestock has declined.

5. The decline in livestock health and standards has had a negative impact on the prices of Somali livestock in the Gulf states. In addition to the fall in prices due to the absence of uniform certification and a decline in livestock health, it appears that livestock prices have also collapsed as a result of an oversupply of Somali livestock to the Gulf market. Other constraints are said to be poor roads and the cost of transportation which raises costs and makes internal market access difficult, and the absence of on-shore banking, letters of credit and a government interlocutor which has reportedly led to price gouging by livestock importers in the Gulf States.

6. Fishing is an extremely important sector for the Bari region. With two long coastlines on the Gulf of Aden and Indian Ocean, in what has been described as the third richest fishing ground in the world, fishing traditionally supports a large section of the community and has the potential to become the region's largest export earner if properly managed and developed. The principle exports from fisheries are: dry shark meat, smoked tuna, shark fins, lobster and other crustaceans. Most fishermen use small fibreglass boats with outboard engines. The Somali fishing fleet, consisting of four trawlers and a processing mothership is presently out of the country. Alternative commercial fishing ventures have yet to be developed.

7. There are a number of constraints presently facing the fishing industry. The lack of marketing, an unreliable local market and an excess supply of fish as many new players entered the export market, have all contributed to the fall in prices in recent years. Lack of equipment, the price of diesel and unavailability of spare parts for diverse boat engines are regarded by small fishermen as major constraints. The absence of fish processing and cold storage facilities inhibit access to more distant markets and shorten "shelf-life". The Bosasso Fish Terminal (NECFISH) built by DANIDA, includes ice-making, fish processing, blast and frozen rooms. Only the ice making plant is presently operational but the facility has been well maintained and could be refurbished with at minimum expense. Finally, the massive illegal fishing in Somali waters which is being undertaken by vessels of many nations is not simply robbing the region (and nation) of much needed resources, but with reports of sea-bed dredging and the dumping of toxic-waste, there may be serious environmental costs, including a permanent reduction in fish stocks.

8. Frankincense, Arabica gum and other gums and resins are an important export item for the Bari region. The resins, which are used for incense, and gums which can be used as a food preservative and for chewing, have good markets in the Arabian Gulf, the Far East and Europe. The gums and resins occur naturally in the hills and mountains of Bari and flow year round. Collection is often a complementary activity in fishing communities during off-seasons. The principal constraint appears to be one of effective marketing. Gums and resins are high value commodities and it is estimated that Somali gums and resins could provide export earnings of as much as \$20 million per annum if properly exploited. Investment in cultivation and

agricultural extension might increase yields, since only five percent of the produce is currently cultivated.

9. Bari contains a reasonable area of land suitable for rain-fed arable farming. In areas such as Kubo, Qalqallo, El Mur, Adisone, Jidhan, Dhuudo, Ishkushuban, Bargal, Sayin, Burynalo, Ufayn and Karin the principal crops grown are fruits, vegetables such as onion, tomato, eggplant and peppers, grains, beans, hay and dates. Most produce is consumed locally but a little is exported. Migration to the Northeast from the southern farming areas has resulted in an increase in agricultural activity. The principal concern for farmers is deforestation. Many trees are being cut down for firewood and charcoal, with attendant environmental effects of soil erosion and desertification. This trend is affecting both farmers and pastoralists as grazing lands and rich alluvial soils disappear. A forest management programme can only be carried out with effective regional government.

10. In the area of Hodior, 2 kms from the sea there are natural salt drying areas below sea-level. The area presently contains some 400,000 tons of table salt (solar salt). There is a salt processing cooperative. A buyer has been located who is willing to pay \$8 million for the salt. The problem appears to be one of transportation.

11. By virtue of the proximity to the Gulf states and an extremely rich human resource base, private enterprise, despite a recent down-turn, appears healthy in Bari. Although the lack of a Chamber of Commerce, public marketing assistance and on-shore banking facilities are perceived to be a constraint to further growth, a number of initiatives, including hotels, a satellite telephone system and a computer training school are a good indicator of a robust private sector. The private satellite telephone system, established by a Somali businessman and his US partners will enable world wide communication access. They will import 400 telephones and offer a service based on deposit.

SECURITY

12. With an almost exclusively Majerteen population and only one political faction, Bari is a peaceful region. It was virtually untouched by the civil war and has seen little fighting, except in 1992 when there were clashes between SSDF and Fundamentalist militia which led to the latter's expulsion from the region. There is widespread public support for the creation of an effective system of law and order to combat problems which are essentially of a criminal rather than a political or inter-clan nature. Banditry, although on the increase, is not common and community elders or the SSDF are often able to intervene and secure the return of the stolen property. As militias disarm, an effective police and judicial system will be critical to prevent outbreaks of banditry, as the SSDF will no longer have the option of the use of force in conflict resolution.

OPERATING ENVIRONMENT

13. The operating environment for international organisations is generally secure although SSDF require vehicles carrying internationals to have one guard, following the shooting of a UNICEF doctor in October, apparently by fundamentalists. The suggestion in the Addis Declaration about the use of public buildings rent-free in exchange for refurbishment is well received by leaders, but until the issue of alternative housing for the many new urban poor who occupy public buildings can be resolved, in Bosasso at least it is unlikely that buildings will be made available. On the other hand Ishkushuban has already offered buildings to international NGOs and are planning to extend this to other international organisations.

GOVERNANCE

POLITICS

14. The SSDF, led by General Mohamed Abshir is the only political faction in the Northeast. Established in the late 1970s in opposition to the Siad Barre government, the faction enjoyed considerable support during the civil war but its importance and role have declined as public administration and the provision of basic social services have replaced defence as the priority activities. SSDF has enjoyed less support among rural and pastoral communities. Nevertheless, it appears that SSDF remains an important political force in the region. The faction still controls the Bosasso Port, has nominated Governors for regional capitals and attended the December Peace and Life conference in Garoe. SSDF has no central committee, no executive committee and no real administrative structure and has never held a Congress to elect office holders. Instead, SSDF has an Emergency Committee, headed by Colonel Abdullahi Yusuf, which currently administers the Port and its revenues. It seems that SSDF is seeking to find a peacetime role for itself and to transform into a political party.

ROLE OF ELDERS

15. Traditional leadership, in the form of the Elders is presently the ultimate source of authority in Bari. A comparatively unified group with their own fora for discussing and resolving issues and conflicts, they appear willing and able to override the SSDF and its Chairman if necessary. It seems that the Elders are the only group capable of resolving the issues blocking the formation of the Bosasso district and Bari regional councils, and will help shape the future administrative structure and political life of the region. It is unlikely that even the establishment of legitimate regional government will detract from their traditional authority.

INSTITUTIONS: DISTRICT AND REGIONAL COUNCILS

16. Four of the recognised six districts in Bari region now have functioning and legitimate district councils (Gardo, Bender-Beyla, Alula and Kandala. The Ishkushuban district council is

functioning and legitimate and is presently operating on an ad hoc basis as it awaits certification by UNOSOM. The Elders of the Northeast regions have been meeting in Bosasso to resolve the problems surrounding the formation of the Bari regional council and Bosasso district council. Resolution is expected soon. The major obstacle to the formation of the regional council is the issue of the five new districts.

17. In 1993 some of the smaller clans in Bari approached UNOSOM's Political division with a request for recognition of five new districts, in an attempt to give them equitable representation in the region. UNOSOM Political granted their request. The predominant clan, Osman Mahamud, oppose the creation of the new districts arguing that the region cannot accommodate an additional five administrative units. In response to the opposition of Osman Mahamud to the formation of the new districts, the smaller clan has stood in the way of the formation. The Elders are currently trying to broker a compromise between the two groups. The obstacles to the formation of the Bosasso district council have to do with the relationship between SSDF and the Elders as traditional authority.

REGIONAL DEVELOPMENT COMMITTEE

18. The formation of a regional development committee is expected to quickly follow the establishment of the Bari regional council.

INTER-REGIONAL DEVELOPMENT COUNCIL

19. At the December Peace and Life conference in Garowe it was agreed to establish an Ad Hoc Economic and Commerce Committee to examine issues of uniform taxation, integrated economic development and planning. This ad hoc committee is to eventually become an inter-regional development council which will comprise representatives of each of the regional development committees and which will serve as a consultative body to the regional councils on inter-regional development issues.

REVENUE

20. The Port in Bosasso is the largest source of income in the whole of the Northeast. Port revenues are presently administered by the SSDF Emergency Committee, and a system of revenue-sharing with allocations for the regions, debt repayment and a provision for security and defence has been developed but is not yet in place. The Port generates revenue through the imposition of handling charges and duties on imports and exports. It is estimated that revenues may exceed \$2 or \$3 million per annum. During the peak seven months of the year (February - June, November and December) revenues are estimated at between \$330,000 and \$500,000 per month. Revenues in January are about half those in the peak months and the period between July and October is very slack because of rough waters in the Gulf of Aden.]

SECTOR ISSUES

POLICE, PRISONS AND JUDICIARY

21. Both regional and district police commissioners continue in their previous capacities on a volunteer basis in Bosasso. There is presently a 185 volunteer Police Force (including four women), administered by the district police commissioner in Bosasso. Officers are armed and are authorized to investigate and make arrests. A gaol is being refurbished and an extension built by the community: a local NGO, Somali Womens Association and the local business community has provided funds. In the absence of a functioning judicial system, the Elders act as a judiciary and plead and review cases, pass judgement and set sentences. By virtue of the respect and influence they enjoy, this interim arrangement appears to have had some success, although it cannot replace an effective regional (and national) professional police and judicial system.

INFRASTRUCTURE

22. Homes and Businesses depend on generators for continuous power, and therefore spend far more on power than they would otherwise have to. Given the relatively good condition of power generation facilities, an investment in sustainable public power would lower power costs for businesses, as well as providing power to hospitals and homes. Bosasso power station, although intact, is in disrepair and operates only intermittently. Gardo has a functioning 600 Kilowatt Power Station which provides electricity nightly to the town for a modest charge (1000 shillings per night for homes; 5000 shillings per night for businesses and in-kind fuel for NGOs). However, there are questions as to whether those revenues are sufficient to cover the cost of fuel and of maintaining and repairing the station.

23. The main road from Bosasso to Mogadishu is the only one which is surfaced but despite recent work on the Bosasso-Qardo section, a number of long stretches have been badly affected by the heavy rains and are now in a very poor state. Feeder roads are generally dirt roads in extremely poor condition, such that a 200 kilometre journey can take 24 hours. This has a significant impact on access to internal markets from the port and also impacts the movement of goods to Bosasso for export, especially fish and livestock.

EDUCATION

24. The presence of large numbers of new urban poor has a double impact on the provision of education. Many new urban poor families are occupying public buildings including many former schools, which makes refurbishment of the buildings impossible until alternative arrangements for housing them can be found. The large numbers of new urban poor also mean that there are many more children to educate such that even if all former schools were restored, there would still be insufficient capacity to meet the education requirements of the region.

25. Those primary and intermediate schools currently operating, both public, which rely upon voluntary community contributions, and private, are doing so with the support of international organisations with staff working on a volunteer basis. There are no secondary schools currently operating. The pre-war curriculum and text books are widely used. The curriculum usually includes Somali, Arabic, English, Arithmetic, Reading, Religion and Social Studies. Somali Women's Association in Bosasso is presently supporting a number of public schools and is planning to establish a program of Adult Education. There are also home economics schools which teach handicrafts, sewing and cooking, a number of private language schools and a computer training school.

HEALTH

26. There are presently three hospitals in the region: one in Bosasso, one in Gardo and one in Ishkushuban. In addition there are six MCHs, ensuring coverage for every district, and 15 Health Posts. There are many excellent doctors in the region; most of whom were trained in Mogadishu, including a number of specialists. While the Gardo and Ishkushuban hospitals are well managed and operated, the Bosasso Hospital, the largest of the three, has a history of corruption and mismanagement. It desperately needs equipment, particularly for surgery and diagnosis and has few resources, but while the hospital has enjoyed support in the past from a number of international organisations and governments, most recently by MDM, there is great reluctance to supply the hospital with drugs and equipment as they tend to disappear or be misused.

27. In general, there is a shortage of medicines available to public health facilities. The recent announcement by WHO that it can no longer operate the Somali Central Pharmacy (SCP) out of its regular budget will worsen the situation considerably. The SCP, which supplies and which provides an estimated 80% of the Somalia's drugs, is running short of supplies and WHO warns it may close unless Donor support is forthcoming. Health problems are often compounded by the fact that people often attempt traditional remedies first, only seeking conventional treatment if that course fails. Community and private pharmacies serve as informal health posts; often doctors from public health facilities also work there in order to make a little money. Prescriptions and simple diagnostics are offered although many have to buy generic painkillers because the particular medicines they require are too costly.

28. Despite the lack of revenue and poor facilities it is evident that there are fundamental problems with management, with scarce resources poorly utilised. Effective public administration and coordination among health facilities would stretch what resources exist considerably further and allow for economies of scale. In addition, public health information and education would greatly improve health in the region. The role of international NGOs and UN agencies has been critical to the re-establishment of health care in Bari. However, an analysis of health care provision reveals that almost all of the health facilities are supported or operated by international organisations. Unless regional or inter-regional structures are established which can address the hand over of these facilities to Somali medical professionals and administrators

and the issue of cost-recovery, even the present health care arrangements will be difficult to sustain.

DISARMAMENT, DEMOBILISATION AND DE-MINING

29. Bari region, with a very large contingent of SSDF former-militia, appears ripe for disarmament and demobilisation activities and there appears to be a general willingness to carry out such activities. However, SSDF is currently seeking the deployment of UNOSOM forces in return for its cooperation in the demobilisation process. Bari does not have a significant problem with mines, although the border with the North West is reported to be heavily mined along the axes Bosasso-Salid-Las Koreh and Bosasso-Dhagaan.

WATER AND SANITATION

30. Over half of the wells in Bari are not presently functioning. It appears that the absence of a regional water development committee affects both the provision of water for the populations of the region and hinders the development of agriculture, livestock and the fishing industry. The presence of international organisations has ameliorated the water supply situation in some areas but is no substitute for a comprehensive water strategy.

PORT

31. In November 1993, the World Food Program signed an agreement with Abdullahi Yusuf, Chairman of the SSDF Emergency Committee, Ibrahim Omar, the Governor of Bosasso and the Port Chairman, Abdi Said to renovate the Bosasso Port. WFP will seek financing of \$3.5 million to upgrade the port facilities and management, in line with the recommendations of the UNCTAD/UNDP Port Management Rehabilitation Project. The monies will be used for buoys, signalling devices, the construction of port administration building(s), maintenance of channel, salvage of sunk vessel, salaries for two consultants and the provision of port management services. WFP agreed to integrate existing port administration in the project.