

SOMALIA

FRAMEWORK FOR PLANNING OF LONG-TERM RECONSTRUCTION AND RECOVERY

DRAFT

Report of a Multi-Donor Task Force
USAID EC FAO IMF UNCTAD
UNDP UNESCO UNICEF
NGO Consortium
under the coordination of
The World Bank

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Acronyms and Abbreviations

ADB	African Development Bank
CC	Custodial Corps
CID	[Somali] Criminal Investigation Division
CIF	Carriage, Insurance, Freight
DEO	District Education Officer
DHRR	Division of Humanitarian Relief and Rehabilitation
EIB	European Investment Bank
ENEE	National Electricity Authority (former)
GDP	Gross Domestic Product
HJC	Higher Judicial Council
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICITAP	
ICRC	International Committee of the Red Cross
IDA	International Development Association
LPG	Liquefied Petroleum Gas
MCH	Maternal and Child Health
MOE	Ministry of Education and Culture
MW	megawatt
NGO	Nongovernmental Organization
NPA	National Petroleum Agency
NSS	National Security Service
PEM	Public Expenditure Management
PHC	Primary Health Care
PIP	Public Investment Program
PTA	Parents Teachers Association
REO	Regional Education Officer
SNPF	Somali National Police Force
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNITAF	United Task Force
UNOSOM	United Nations Operation in Somalia
USAID	United States Agency for International Development
WDA	Water Development Authority
WFP	World Food Programme

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Map of Somalia

PART ONE: INTRODUCTION

I. FRAMEWORK FOR COORDINATED PLANNING

A. Purpose and Scope

1.1 The present document is a work in progress. It has been prepared at the request of UNOSOM by donors and international agencies working under the overall coordination of the World Bank. It should be seen as one step in an ongoing consultative process of planning for the economic and social reconstruction of Somalia. It is intended to provide a mechanism for the assessment of priority development issues facing Somalia, to outline the key policy imperatives, and to provide a framework to ensure that short-term interventions are consistent with longer-term development goals. Given the continuing fluid nature of the situation in much of Somalia, it is important to view the process of program planning and implementation as a dynamic one which requires a coordinating framework capable of responding to the changing country conditions. In the process of further elaborating the planning framework, we will need to explore how best to incorporate the views, concerns, and priorities of the Somali people. It must be recognized that the framework will only be of limited value as a basis for program implementation until the time that representative Somali political structures are in place and have had an opportunity to contribute to the framework's foundation and to assume ownership of its content.

1.2 The framework for planning and coordination of Somalia's reconstruction and rehabilitation has the following three specific objectives:

- To establish a common vision of the economic and social reconstruction, rehabilitation, and development of Somalia.
- To identify priorities for long-term recovery and indicate key performance requirements of the strategies to be developed to meet priority needs.
- To establish a mechanism for coordinated action on reconstruction and rehabilitation in an environment of constrained human and capital resources. The resultant mechanism should be capable of being passed on to a future government of Somalia as the basis for development planning.

B. Common Vision

1.3 The main elements of the common vision shared by the international community include:

- a) The implementation of reconstruction is only viable if it takes place in the context of a gradual shift of civil authority from UNOSOM to a successor Somali political authority, generally acceptable to the Somali people, and most likely involving a substantial degree of regional autonomy.

- b) UNOSOM will act as the central coordinating body and the civil authority in Somalia until such time as there emerges a viable Somali government.
- c) Somalia has potential for sustained growth, which in the long run, could bring all Somalis above the poverty line. Past performance of the economy has shown that agriculture and livestock are the main sources of growth. Future growth will rely heavily on public and private initiatives in these two sectors.
- d) Critical to realizing the prospects for growth is the establishment of an enabling environment of good governance, characterized by not only the emergence of a stable political system, but also by liberalized economic policies, adequate supporting infrastructure, and effective public institutions, to give the private sector (from small farmers to multinational companies) the confidence to invest.
- e) All interventions to establish social and economic institutions must be designed to ensure their long-term sustainability.
- f) In the foreseeable future it is clear that, even with good governance, Somalia is in need of external assistance to start the process of reconstruction and rehabilitation of essential infrastructure.
- g) While donors, including a number of NGOs, are already investing in reconstruction and rehabilitation of Somalia, there is a need to agree on priorities for action and a mechanism for coordination.

C. Approach

1.4 The planning framework and its associated coordinating mechanism would be developed taking into account the following precepts:

- a) Economic recovery would be framed in the context of long-term development so that short-term actions can be implemented on a basis consistent with that framework.
- b) Realistic strategies would take into account assets that have been destroyed, the recuperative ability of the country, the lack of functioning institutions and its consequences on implementation and absorptive capacity, and the amount and nature of the support that external donors are likely to provide.
- c) Planning efforts will be focused at the subnational level in close collaboration with Somali authorities, professionals, and communities and with priority given to districts and regions which have been able to provide a secure environment for project implementation and, particularly, where rehabilitation initiatives have already been taken by the local community.

- d) Interlinkages between social, economic, political, and military factors would be recognized as would the need to manage all in tandem to achieve forward motion in the process of recovery.
- e) Where possible, the physical/institutional reconstruction would be linked with economic recovery and stabilization, e.g., get exports moving again with required infrastructure.
- f) The social sector reconstruction would build on the present relief efforts with the aim of ensuring the widest possible access to an essential minimum of services, with strong community involvement in both management and financing.

1.5 The major planning principles would include:

- a) Public investments in reconstruction and rehabilitation should be made in activities which are consistent with the essential role of government, regardless of the former arrangements.
- b) Encourage the establishment of efficient markets balanced by the need to ensure equitable sharing of components of reconstruction among all segments of society, including women, and balanced priorities between sectors.
- c) Emphasize the role of the private sector in mobilizing Somali resources, service delivery and project implementation.
- d) Keep proposed interventions simple, labor-intensive, and at an appropriate scale; do not rehabilitate or replace unproductive assets; reconstructed assets should be within Somalis' capacity to maintain.
- e) Target interventions to meet the needs of the most vulnerable groups in Somali society, including the nomads, the displaced, and the poorest women and children.
- f) Ensure that sectoral components are internally consistent and do not compromise the overall sustainability of the plan.
- g) Encourage efforts at resource mobilization and cost recovery, in combination with efficient pricing of government services.
- h) Assess existing implementation capabilities and identify appropriate short-term supports needed to strengthen them.
- i) Encourage environmentally sound practices and policies throughout the reconstruction process.
- j) Ensure coordination between zonal and regional offices to ensure common strategies in key sectors.

D. Process for Coordination

1.6 The establishment and updating of a framework and exchange of information on implementation will be the main mechanisms for donor (including NGO) coordination, under the overall guidance of UNOSOM. In the future, the World Bank would also assist UNOSOM to assure that donor support activities are mutually compatible and are consistent with the planning framework.

1.7 UNOSOM would establish a Development Office (not necessarily in Mogadishu) to coordinate activities on the ground. Initially, it would establish an information and resource management system which would provide information on projects which are already being implemented, as well as those that have been planned and funded. This data base would be made available to all donors and updated regularly.

II. COUNTRY PROFILE

A. Introduction

2.1 Somalia is a physically large but sparsely populated country of about six million people with an arid to semi-arid climate. The mainstay of the economy has long been nomadic pastoralism. About 50 percent of the population are nomads who depend on livestock for their livelihood; only 25 percent are settled farmers. In an average year, livestock production accounted for almost 50 percent of the GDP and 65 percent of exports. Apart from livestock, commercial agriculture was centered mainly on the production of bananas for export, and sugar, sorghum, and maize for the domestic market. The agricultural sector accounted for about 63 percent of GDP. The manufacturing industry contributed only 5 percent of GDP and was dominated by some 23 plants, most of which were in the public sector. Somalia's low level of economic and social development was manifested by a per capita GDP of US\$170 in 1988, and an average life expectancy of 46 years.

B. Topography, Climate, Hydrology, and Soils

2.2 Located in the Horn of Africa, Somalia has a land area of 627,300 square kilometers with the Gulf of Aden on the north, Ethiopia and Kenya on the west, and the Indian Ocean on the east (see IBRD map no. 15413R2, attached). Its topography includes a hot and arid coastal plain, rugged mountains and plateaus, and lowlands of varying fertility. Rainfall is sparse and uncertain, averaging about 40 millimeters per year in the north but with widely recorded variations from 209 to 810 millimeters per year. Over 80 percent of the rainfall occurs from April to September, and often comes in short intensive storms that cause rapid runoff, flash floods, and severe erosion.

2.3 Only about 13 percent of Somalia's land area is suitable for cultivation. However, with water being the main constraint, less than 10 percent of this potentially arable land was under cultivation. In 1990, cropland was estimated to be about 1.1 million hectares, of which 13 percent was irrigated and the rest was rain-fed, while 43 million hectares were in pasture and 9.6 million hectares were forests and woodlands.

2.4 Although the climate is semi-arid, the region possesses undeveloped water resources. In hilly sections, rivers form a succession of reaches where bed rock is exposed, alternating with sandy stretches flanked by alluvial terraces. There are permanent springs in many rocky sections while in the sandy river bed, the water table is close to the surface. Ground water is of good quality for irrigation. The present use of ground water and spring water represents only a part of the potential. In the north, perennial water supply is small and allows irrigation of only a few hectares. Traditionally, water is taken from shallow wells, extracted from the underflow or the river beds. Moderate droughts occur every three to four years, and major ones every eight to ten years. Drinking water is generally unpotable, even in urban areas.

2.5 In the south, about 150,000 hectares were irrigated before the recent hostilities, most of it from the flow of the Shebelle river, which rises in Ethiopia. Somalia's

other major river, the Juba, also originates in Ethiopia. Its annual flow of some 6,500 million cubic meters is about three times that of the Shebelle. At present, very little of this potential is utilized, and annual flood damage was estimated at US\$3 million per year. The prior government was working with donors to prepare for the construction of a multipurpose dam at a site called Bardhere to regulate the flow of the Juba river for irrigation and to generate electric power for Mogadishu and the Juba valley.

C. Natural Resources and Environmental Issues

2.6 Somalia has no confirmed exploitable mineral resources. A number of foreign exploration companies were engaged in drilling for oil prior to the hostilities, with unknown results. Investigations for natural gas under an IDA Credit proved disappointing. In the absence of other known resources, Somalia's natural resource potential is limited to development of its arable land and pastures, although these will require careful management to avoid environmental damage.

2.7 Somalia's rangelands are afflicted by dry winds, and prior to hostilities were chronically overgrazed by cattle. The damage was greatest around water points where destruction of the vegetation was leading to formation of sand dunes that grew and drifted, damaging the vegetation in surrounding areas and in some cases invading villages. The increase in grazing areas and cultivated land has also had a serious impact on Somalia's wildlife, and most of the larger species (elephant, leopard, cheetah, black rhinoceros, and zebra) have disappeared.

2.8 Soils in the irrigated Shebelle area have become increasingly salty because of poor drainage and water control, seriously reducing the productive capacity of the river's irrigation system. Poor drainage was also causing the spread of malaria and bilharzia. The proposed Bardhere Dam project will also raise some serious environmental concerns, including further salt deposits, the potential increase in water-borne diseases, and the need to displace some 2,500 local families and 20,000 refugees.

2.9 Given Somalia's arid climate and fragile ecosystems, development programs will have to be carefully designed to avoid putting further stress on an already tenuous environmental situation and to assure sustainability of development over the long term.

D. Human Resources

2.10 Prior to hostilities, Somalia had an estimated population of about six million and an annual population growth rate of about 3 percent. About half of the population are nomadic pastoralists. Life expectancy was 46 years, infant mortality was 150 per thousand births, and the primary school enrollment was less than 10 percent.

2.11 With its literacy rate among the lowest in the region, Somalia's development potential is severely hampered by its weak human resource base. The dearth of skilled manpower was compounded by the exodus of a number of highly trained Somalis because of the repressive political environment even before the recent hostilities. A trend of declining

financial support for the educational and health sectors, accompanied by declining school enrollment, further eroded the human resource base in the years preceding Siad Barre's downfall.

2.12 All of these problems and deficiencies have been compounded by the recent hostilities. Many schools and health clinics have closed and many educated Somalis have fled the country, although some may return when security is reestablished.

E. Legal Framework

2.13 **Background.** The civil and criminal court system was established at the time of independence and existed throughout most of the Siad Barre period. It had four separate levels—the Supreme Court, the Courts of Appeal, the regional courts and the district courts. The Supreme Court was located in Mogadishu and had a president, a vice president, and four judges. The Supreme Court heard appeals from judgements of the lower courts and had the power to issue writs of *habeas corpus*.

2.14 The Courts of Appeals, located in each regional capital, had jurisdiction over a particular region. They heard appeals from the district courts and the regional courts. They also had the right to issue writs of *habeas corpus* for criminal cases within the region. The regional courts had jurisdiction over crimes punishable by death, life imprisonment, or imprisonment of not less than ten years. The district courts were located in each district of the region. Their jurisdiction was limited to a district and included criminal jurisdiction over lesser crimes.

2.15 The attorney general, his deputies or police officers, and inspectors investigated and prosecuted criminal cases. The attorney general was also responsible for supervision of the prisons and the Custodial Corps, or prison guards.

2.16 The first Somali Constitution also provided for a Higher Judicial Council (HJC) to supervise the courts; make binding recommendations to the Minister of Justice on appointments, transfers, promotions, and termination of appointments; and to conduct disciplinary hearings for removal of judges. The HJC consisted of the president and members of the Supreme Court, the attorney general, and three members elected by the National Assembly who were not members of the Assembly or practicing attorneys.

2.17 **Current Situation.** Somalia no longer functions under a uniform rule of law. Instead, it is a patchwork of districts, regions, and the capital city of Mogadishu, each groping to restore a modicum of normalcy and the return to civil law and order.

2.18 In Mogadishu, the responsibility for appointing judges is currently vested with an eleven-person Judiciary Committee appointed by the Joint Political Committee. The Judiciary Committee is supposed to be composed of equal numbers from the Aideed and Ali Mahdi factions with one "neutral" member. The Committee sees itself as having jurisdiction over the court system at least throughout the entire area controlled by both factions, and because of its claim to broad clan representation, perhaps the entire country.

2.19 The Mogadishu Court of Appeals is not functioning, and only two regional court judges have reported to work. Currently, there are approximately 50 criminal and 100 civil cases pending. In the criminal cases, the courts are applying both the Somali Penal Code and the Code of Criminal Procedure. The courts are located in the former Ministry of Justice building, which is clean and reasonably well preserved. There are no usable records of former court personnel, including judges, reported decisions or records of court proceedings, forms or procedures, nor records of those licensed to practice law in Somalia, accredited members of the Law Faculty, or Notaries Public. An estimated 25 to 30 percent of former judges, legal scholars, and attorneys have fled the country.

2.20 In *Afgoi*, there are no functioning district or regional courts, but the elders appear to be taking an active interest in the administration of justice.

2.21 In *Bardere*, the local elders are hearing cases and their decisions appear to have been accepted by the people. District or regional judges are expected to begin functioning soon in the former court building, which is reported to be in good shape but lacks furniture and equipment.

2.22 In *Baidoa*, the courthouse has been rehabilitated by UNITAF to house the district and regional courts and the regional Court of Appeals. The building has furniture but no equipment. The Baidoa courts are attempting to hear both civil and criminal cases. Currently, there is a president of the regional Court of Appeals, a president of the district court and four other judges. They were all nominated from a list of former judges and elected by the people. There is also a public prosecutor and two registrars, one for the district and one for the regional court. The judges are applying the Penal Code and the Code of Criminal Procedure.

2.23 In *Borama* in the north, the former Somali Penal Code is being applied, along with the Sudanese Code of Criminal Procedure. The Conference recently approved the adoption of all laws in effect prior to July 1, 1960. They have accepted the Indian Penal Code which was the law in force in British Somaliland and for the four days from June 26 until July 1, 1960 when British and Italian Somaliland united to become the Somali Republic. This means that all of the laws passed by the Somali Republic after independence, including those adopted by the government of Mohamed Haji Ibrahim Egal who is now running for President of the Somaliland Republic, have been rejected.

2.24 In *Bosaso* in the northeast, there are currently five judges who were formerly district, regional, Court of Appeals judges, and Supreme Court judges. These judges are hearing civil but not criminal cases. Criminals apprehended by the police are being detained and brought before the elders. One former judge is now functioning as a prosecuting state attorney. Based on the decision of the elders, persons convicted are being held in prison.

2.25 **Summary.** From this limited information, it is apparent that there is no longer a national system of laws and courts. Instead, piecemeal approaches are evolving at the local level based on prior laws, courts, and personnel with local authorities and customs.

All prosecutions were carried out under the supervision of the state attorney general whose office had responsibility for major cases.

2.33 Promotion courses and specialized and advanced training took place at the SNPF academy in Mogadishu and at the SNPF training school in Mandera in the north. Darawishta training took place in Beletweine, and basic recruit training in Baidoa and at the orphanage training center in Mogadishu. The academy had a capacity for 250 on campus, and classroom space for 500; Mandera could handle 200; and the Darawishta center in Beletweine and the Baidoa recruit training centers could each handle 600.

2.34 Toward the end of the Siad Barre regime the SNPF was neglected in terms of supplies and training. Some members of the Somali army were transferred to the SNPF and put into the command structure. However, although the SNPF was allowed to decline through neglect, it was never corrupted for the regime's purposes. As both the UN and ICITAP reports have noted, the remnants of the SNPF continue to enjoy public support and still have the reputation for professionalism and impartiality.

2.35 Since independence, the prison guards or custodial corps (CC) were a separate unit from the SNPF, with different uniforms, command structure, headquarters, and training. The CC were trained by Italy, primarily in-country. The prisons associated with the regular criminal justice system were located in Mogadishu, Galkayo, Kismayo, Hargeisa, Afgoi, and Mandera.

2.36 The Siad Barre regime set up an entire national security apparatus, including the National Security Service, the national security courts, and national security prisons. These systems are generally held in ill repute because of their association with the excesses of the dictatorship.

III. MACROECONOMIC AND FINANCIAL SITUATION

A. Macroeconomic Issues

See separate report prepared by the International Monetary Fund.

B. Regional Economic Planning Focus

3.1 As the security situation in Mogadishu has deteriorated in recent weeks, momentum has gathered in support of a regional approach to development, which for now, ignores the capital city. This has an obvious appeal in terms of allowing donors to act despite Mogadishu, and appears to be consistent with the political process based on decentralization through the establishment of subnational councils. In the absence of a central authority, the regional level is where decisions should be made regarding the allocation of resources between and within sectors.^{1/} The regional approach, however, lacks any sound analytical basis.

- There is an urgent need to provide such a framework within which donors, in collaboration with regional Somali administrative structures, can make decisions about allocating scarce resources in a way which will support rather than undermine long-term development.

3.2 In the absence of security and stability in Mogadishu in the short-term, there is a case for shifting the focus of macroeconomic planning to the regional level. It is accepted that sound macroeconomic analysis should underpin major donor interventions in support of development, and if this analysis *de facto* has to exclude Mogadishu for now, then there is the risk of undertaking interventions that are harmful in the medium- to long-term. While it is relatively easy to devolve powers (e.g., raise revenues) and initiate interventions, it is likely to be difficult to extract from these commitments if, on reestablishment of some form of central authority, it is seen as sensible to redraw divisions of responsibilities. Donors should therefore avoid major interventions for which sensible planning requires the detailed countrywide economic analysis which will be the results of the overall macroeconomic mission.

- This suggests the need for a minimalist approach in the medium-term focusing on activities which would have to be undertaken in any case, and which support the natural regeneration of private sector activity. Even this level of intervention requires an analytical framework.

3.3 In advance of the full macroeconomic analysis of Somalia there is a need to develop a basic macroeconomic framework, with emphasis on the fiscal, to support the regional approach to development. This analysis would feed into regional economic profiles and underpin guidelines to be issued to local councils and donors on appropriate interventions

^{1/} This is not to say that the implementation of development projects should not be devolved to the district or even village level.

which place the onus on Somalis to plan their own development. It would involve gathering base level economic data for the region analyzing complementarities between different components of the regional economy, and examining the types of economic assistance most suitable to sustaining regional economic activity.

C. Aspects of the Financial Reconstruction Program

3.4 **Objectives.** To develop the capacity to formulate and implement budgets and to mobilize resources and direct expenditures in ways that are compatible with long-term goals and the macroeconomic environment.

3.5 **Fundamental principles.** There should be a strong link between the planning process and the budget. Budgets cannot serve as policy instruments unless they are consistent with national objectives.

3.6 Expenditures must be proportional to revenue. In the past, expenditures have far outstripped revenue leading to inflation and devaluation of the currency.

3.7 Budgets must be comprehensive. All expenditures should be subject to budgetary scrutiny and all revenues must be counted when allocating expenditures. In particular, expenditures should not be made at "the minister's discretion" and counterpart funds should be included in revenue calculations.

3.8 **Institutions and the budgetary process.** A Ministry of Finance/Budgetary Authority can be charged with the economic functions foreseen in this document: economic policy formulation, resource mobilization, budget preparation and implementation, and regulation of the monetary and banking system.

3.9 The Ministry/Authority could consist of four divisions:

- a) A central monetary board to oversee the monetary and banking system.
- b) A macroeconomic analysis division to ensure that the macroeconomic environment is taken into account when formulating policy.
- c) A budget and planning division to prepare and implement the Public Investment Program (PIP) and the budgets.
- d) An accountant general's office to ensure timely record keeping and follow-up of actual expenditures.

3.10 Planning and budgeting at the central level can be accomplished by three documents:

- a) The Public Investment Program (PIP) will be a rolling three-year plan prepared annually with one year added and one year dropped every year that will guide public investment decisions. It should be prepared early enough to

provide input for the annual budget documents described below. The PIP will cover investment projects that are donor financed or domestically financed. Projects should be subject to cost-benefit analysis and the recurrent expenditures from these projects must be provided for in the ordinary budget. Sector authorities at both the central and regional levels can provide input into the PIP.

- b) The ordinary budget will cover recurrent expenditures and should be financed from domestic resources. Expenditures should be classified by program and type of expenditure. Operational and maintenance expenditures from development projects as well as wages that should be paid after a project is completed must be included here.
- c) The domestic development budget will cover capital expenditures and will account for individual projects. These will be mainly donor financed but domestically funded capital projects must be included, too. Information should be provided here on the total cost of these projects, spending to date, spending categories, and shares of domestic and foreign financing. Note that recurrent expenditures arising from projects should be budgeted from the ordinary budget.

3.11 Inputs into the PIP and the budget documents should be provided by the sectoral and regional authorities who will actually implement projects and provide services. Sectoral and regional authorities should have budget sections to oversee budgetary activities. These budgetary sections will prepare priority lists and budgets for projects and provide bookkeeping services.

3.12 The budgetary process should involve close coordination between the Ministry of Finance/Budgetary Authority and sectoral and regional authorities. The fiscal year in Somalia is the calendar year. An approximate time for preparation of the budget could be as follows:

- a) The Ministry of Finance/Budgetary Authority should close the books on the previous year's actual expenditures and complete work on the PIP by mid August. The process for preparation of the PIP should be similar to that for preparing the budget documents.
- b) Budget calls can be issued by the end of August to the sectoral and regional authorities. These calls should include overall budget targets, principles to be followed in budget preparation and ceilings for different types of expenditures.
- c) By the end of September, sectoral and regional authorities should submit budget proposals for both ordinary and development budgets.
- d) The Ministry of Finance/Budgetary Authority and the sectoral and regional authorities can negotiate specific allocations through October and mid November when the final budgets are submitted to the political authorities for approval. Budgets should be passed by December 31.

3.13 **Budgetary priorities.** Immediate priorities will unavoidably be determined by the costs of rehabilitation. The focus should start shifting toward reconstruction as soon as possible. In 1991 the World Bank issued a very pertinent report titled *Somalia: Crisis in Public Expenditure Management (PEM)*. Although this was written before the full nature of the damage to Somalia was apparent, the guidelines and suggestions from the report can serve as medium-term targets in the reconstruction process.

3.14 Reconstruction will involve spending significant amounts on infrastructure. One USAID estimate puts the eventual cost of repairing infrastructural damage as high as \$500 million. While that kind of money is not going to be available, PEM suggested that 65 percent of government expenditure towards capital expenditure was a reasonable target based on Somalia's historical standards, and this was before the full extent of the destruction was known. Some of these funds will come as the money needed for refugee rehabilitation decreases.

3.15 In the medium-term, there should be a shift toward social and economic functions and away from security and refugee rehabilitation. PEM recommended that 40 percent of the ordinary budget go toward the social sectors. This would be in line with other countries in the region, but is dependent on reining in security expenditures. Suggested distribution of funds to the social and economic functions for 1994 are provided in table 3.3.

3.16 Wages must be high enough to provide for employees and to keep morale up. The wage bill must also be sustainable in the long-run for the Somali government. PEM had recommended that 3.2 percent of GDP go to wages. At pre-civil war levels of production, this would have paid an adequate wage for a trimmed down bureaucracy. While production levels certainly have not reached pre-civil war levels, the size of the civil service foreseen in this document is much smaller than historical levels, so 3.2 percent of GDP may be a reasonable target. Since GDP data is not available, calculation reveals that 3.2 percent of GDP would have been equal to about 15 percent of total government expenditure, or about \$24.6 million in 1994. Since it is recommended that the ordinary budget be domestically financed, a large share of domestic resources will unavoidably be spent on wages. As resources available to the government grow, this share will fall.

3.17 Revenues raised from monetization of aid must be included in the overall budget and allocated according to budgetary priorities. Wherever possible, goods needed for relief must be bought locally to give private producers incentives to resume normal activity.

3.18 The Somali authorities must make a serious effort in the medium-term to raise revenues. For 1994, the only resources are estimated to come from donor funding and import duties on commercial traffic at the ports. An optimistic estimate is that there will be about 194,000 tons of commercial imports coming through the ports. These can be taxed immediately. Since commercial exports had reportedly begun by April 1993, one trial shipment had been made—some export tax revenue may be anticipated for 1994. At this writing, data is unavailable on the amounts involved, so no estimate of export revenue is made. Once livestock exports pick up, this traditional source of Somali revenue can be tapped again, perhaps for 1995. Given that a high proportion of domestic resources raised will come from border taxes controlled by the central government, and that this document recommends a decentralized government, special attention should be paid to revenue-sharing between central

and regional authorities. Any Somali government at the central and regional levels must start looking for alternate sources of revenue. A good start are the user fees to make specific services such as ports and airports, water supply, and power generation self sustaining, as suggested in the section on Public Administration and Civil Service.

3.19 The long-term goal should be to move toward a modern tax structure with a broad-based sales tax and an income tax based on documentation of sales and incomes. The administrative requirements for a tax system of this kind are high and will probably require a separate tax authority. Work toward this can begin with greater emphasis on documentation of economic transactions throughout the economy. Revenue as a percentage of GDP should reach about 10 percent by 1997, a rate comparable to what Somalia had achieved in the early eighties.

Table 3.1: Estimated Expenditures (1994 in millions of U.S. dollars)		
	1994	1995
Central Government	12.14	12.14
Regional Government	0.5	0.5
Private Expenditure	11.43	11.43
Refugee Rehabilitation	2.1	2.1
External Interest	1.0	1.0
Other	0.9	0.9
Total	27.17	27.17

Table 3.1: Overall Fiscal Stance 1994 (in millions of U.S. dollars)

	<u>1994</u>	<u>NOTES</u>
Total Revenues and Grants	178	
Import Duties	18	UNCTAD estimate: 16,000 tons/month, Hassan and Shaw security proposal analysis: US\$96 per ton.
Project Aid	150	Amount pledged for 1993, informal consultation.
Counterpart Funds	10	WFP suggested amount for monetization of funds.
Total Expenditure	178	
Recurrent Expenditures	99.17	
Development Expenditures	78.83	

Table 3.2: Recurrent Expenditures Estimates 1994 (in millions of U.S. dollars)

	<u>1994</u>	<u>NOTES</u>
Civilian Wages (excluding rehabilitation wages)	18.14	PEM suggested that civilian wages be 15 percent of total expenditure.
Defense Wages	6.5	Wages in proportion to original UN estimate.
O&M Expenditures	32.63	PEM suggested that O&M be 22.8 percent of total expenditure.
Refugee Rehabilitation	25	No estimate on what actual cost will be.
External Interest	10	Token, same as 1990. 1990 interest arrears on long-term debt: \$238.
Other	6.9	Residual.
Total	99.17	

Table 3.3: Functional Expenditure 1994 (in millions of U.S. dollars)

<u>FUNCTION</u>	<u>1994</u>	<u>NOTES</u>
Security	15.3	In proportion to historical share spent on security.
Wages	6.5	Wages/Total security expenditure in same proportion as original UN estimate.
O&M Expenditure	5.3	
Capital Expenditure	3.5	
Health		
Wages	21.2	PEM minimum estimate for 1994.
O&M Expenditure	4.8	22.8 percent of health expenditure.
Capital Expenditure	13.2	
Infrastructure	65	USAID estimate of requirement is \$500.
Wages	9.75	15 percent of infrastructure expenditure.
O&M Expenditure	14.63	22.5 percent of infrastructure expenditure.
Capital Expenditure	40.62	
Agriculture	32	USAID requested funding.
Wages	4.8	15 percent of agricultural funding.
O&M Expenditure	7.3	22.8 percent of agricultural funding.
Capital Expenditure	19.9	
Education	1.6	PEM estimate of minimum required for 1994 before civil war.
Wages	0.24	15 percent of educational expenditure.
O&M Expenditure	0.37	22.8 percent of educational expenditure.
Capital Expenditure	0.99	
Monetary Authority	1	No estimate available.
Wages	0.15	15 percent of expenditure on monetary authority.
O&M Expenditure	0.23	22.8 percent of expenditure on monetary authority.
Capital Expenditure	0.62	

IV. PUBLIC ADMINISTRATION AND CIVIL SERVICE

A. Introduction

B. Establishment of Civil Service

4.1 **Objective.** There is a need to assist in the creation of a responsive and enabling institutional infrastructure within the Somali context with the capacity to carry out essential government functions efficiently and effectively with the human and financial resources available to it.

4.2 **Fundamental principles.** The design of a new system of public administration should take into account the following principles:

- **Integrated system.** The three fundamental government systems—the political system, the legal system, and public administration—are integral parts of a single system of governance. The public administration system can only be put in place within the context of the political and legal systems in which it is to function. Policy management, regulation, assurance of equity, and promotion of social cohesion which are the primary public sector functions can only be carried out under the protection of the rule of law and with the legitimized authority to implement policies and to raise revenues and allocate revenues.
- **Sustainability.** Institutions are sustainable only to the extent that adequate resources are available to operate and maintain them. The prospects for mobilizing domestic revenue, especially in the short term, are extremely limited and the role assumed by government must accordingly be also limited. Attention must first be focused on essential government functions, recognizing that many desirable government services may have to be foregone in the short- to medium-term. Underpaid government employees who lack the complementary inputs to carry out their functions in even the most minimal fashion result in costly and functionless bureaucracies which obstruct development and reduce the welfare of those they are intended to serve. Cost recovery mechanisms and efficient pricing of government services which are to be reestablished must be put in place at the start not only to ensure their sustainability, but to provide an adequate foundation for the expansion of such services as the economy develops.
- **Decentralization.** The highly centralized system of government which existed in Somalia prior to the collapse clearly served the country poorly. Indeed, a national public administration was never fully developed, and what was in place had, for the most part, ceased to function long before the collapse of the government. It appears likely that a new government will opt for a more decentralized approach, bringing government closer to the people and thereby making it more accountable. Local and regional authorities are beginning to

emerge and should be the focus of early rehabilitation and reconstruction activities. Revenue generating potential at the local level needs to be explored.

4.3 **Role of a national public administration.** Given the severe financial and other resource constraints which a new Somali government will face, a national public administration must be lean and its functions limited to the bare bones of those activities which cannot be performed either at the local/regional level or by the private sector. In addition, as indicated under *Sustainability* above, some important government services will need to be phased in over time as the economy recovers and the country moves from the rehabilitation/reconstruction period to a development phase. In the first phase, key functions at the national level would include:

- a) Regulation of the monetary and banking systems.
- b) Revenue mobilization.
- c) Budget preparation and implementation.
- d) Economic policy formulation/National Accounts and statistics.
- e) Formulation of policy framework for health and education.
- f) Development administration and aid coordination.
- g) Regulation of commerce and business promotion.
- h) Agricultural research and advisory services, and formulation of national environmental policies.
- i) Port and civil aviation authorities (with private sector management).
- j) Issuance of passports and visas.
- k) National civil service administration.
- l) Police training, setting, and monitoring of minimum standards.

4.4 The performance of the above functions should be carried out by the smallest number of primary subdivisions possible. For example, the first four functions should preferably be carried out by a single ministry or agency. The personnel function (civil service administration) would be well placed as a small office reporting to the budget authorities.

4.5 The aid coordination function of development administration will be a key role of a new government given the limited availability of domestic revenues to finance development projects and programs in the short-term. The institution charged with carrying out this function could well contain the core of future sector ministries (should they become necessary) with small divisions responsible for each of the key sectors—agriculture, health, education, commerce, infrastructure. Although, initially, their primary focus would be on aid

coordination, the sector divisions could also carry out the limited responsibilities for the sectors which remain with the central government, such as establishing national education standards.

4.6 Role of regional authorities. Regional authorities would be expected to do the following:

- a) Regional revenue mobilization.
- b) Regional budget preparation and implementation (as in the case of national government, the personnel function should come under the budget authorities).
- c). Police (selection, setting and administering pay scales, financing at the subnational level with centralization of training, and setting of minimum standards at the national level).
- d) Agricultural extension services (with service delivery in the private sector).
- e) Health and education—planning of basic infrastructure and staff deployment and supervision of districts.
- f) Basic health services and staff deployment and supervision of districts.
- g) Power generation and distribution (as part of the national regulatory function, common standards would be set at the national level to ensure regional grids could eventually be linked). Services on a full cost-recovery basis.
- h) Water supply and sanitation.

4.7 Areas of administrative responsibility at the national, regional or zonal, and subregional levels will need to be clearly demarcated and appropriate institutional relationships created. There must also be a clear division between the tasks and authority of the political and administrative officials.

4.8 Putting in place a national civil service. A new government will want to put in place its establishment register, conditions of employment, pay scales, and procedures for recruitment, promotion, etc. at an early stage. It is essential to ensure, particularly at the national level, that selection procedures are based on qualifications for the job rather than clan or political affiliations. A temporary Establishment Committee, drawing upon international expertise with civil services procedures, will need to be put in place as soon as the political reconciliation process is completed and agreement on a new government has been reached. Any recruitment, prior to the completion of the work of the Establishment Committee, should be done on a temporary contract basis.

4.9 Previous government employees. The drastic curtailment of government activities described above will require a civil service only a small fraction of its past size.

Recruitment into the new civil service should be on a competitive basis with no automatic rehiring.

C. Civil Service Remuneration

4.10 **Background.** Public administration in Somalia prior to the collapse of the government had all the familiar characteristics of an inefficient and ineffective civil service. It was overstaffed, levels of remuneration were absurdly low, there was no clear definition of employee functions and responsibilities, and complementary inputs were scarce to nonexistent. What was perhaps unique to Somalia was that these problems had become severe enough that the point was reached where, for all intents and purposes, the government administration ceased to function at all.

4.11 A review of the Somali civil service carried out in March 1990, estimated that the number of government employees were in excess of 56,000 with an average monthly salary of 6,366 shillings (1,000 shillings = US\$1). The 1990 salaries had declined to less than five percent of those paid to public sector employees in 1975 and were well below the labor market rates in Mogadishu. As a result, the government was unable to recruit and retain a full-time and efficient labor force. For most civil servants, government jobs were incidental to the work that generated the most important part of their income. Absenteeism was common, with absences often extended to the point that employees became "ghost" workers. In this environment, corruption became endemic as civil servants resorted to sale of government property and services and, often, outright extortion to supplement meager civil service salaries. The result was a *de facto* privatization of all government services which granted individual government employees an uncontrolled and unregulated monopoly over those services. It is hardly surprising that in such an environment, if services were delivered at all, they were of minimal quality and at the highest cost.

4.12 Reform of the civil service would have been a massive undertaking, involving a complete restructuring and large-scale redeployment. A new government will have a unique opportunity to start afresh, and to put in place an efficient and cost-effective civil service. By limiting the role of government to only the most essential functions, it will be possible to keep the size of the civil service within the means available from domestic revenues, with the necessary complementary inputs and with adequate salary levels.

4.13 **Determining appropriate wage levels.** A comprehensive study of personnel emoluments in the Somali civil service was carried out in December 1989 as part of the public expenditure review. On the basis of this study, a report was prepared and submitted to the government with recommendations for revised salary scales.^{2/} Most of the recommendations remain valid and provide a reasonable starting point for determining appropriate government wage levels today.

4.14 Following extensive interviews with senior civil servants, the fact emerged that real salaries paid in the mid-1970s were considered adequate by government employees

^{2/} *Somali Civil Service Reform*. Peter Gregory. March 31, 1990.

and consistent with an efficient civil service in that incentive levels were high enough to ensure a full-time and productive work force. At that time (1975), there were approximately 20,000 government employees, slightly more than half of whom were employed in the education sector. The recommended methodology for determining appropriate salary scales was to take the 1975 salary scales as the base point and adjust them to reflect increases in the consumer price index to define 1990 equivalent salaries. This methodology yielded a range from 18,977 shillings per month for the lowest (apprentice) level up to 287,683 shillings per month for the top grade (see table 4.1). The salaries thus derived were compared with salaries paid for similar work in the private sector as well as public sector salary scales in other countries at levels of development comparable to Somalia's. Salary levels in the low and middle ranges were found to be somewhat higher than the comparators and thus, the proposed salary structure was readjusted accordingly. The salary scales proposed for 1994 appear in the far right column of table 4.1, and were adjusted using 1990 figures. Although they have been adjusted for inflation, the lack of reliable data make these adjustments very tentative. The range yields top level salaries fifteen times higher than the bottom of the scale, an acceptable spread which provides an adequate incentive structure.

4.15 It must also be recognized that domestic revenues in the first years are unlikely to support the government employment levels (both regional and national) that pertained during the mid-1970s, much less the significantly higher levels of government employment of the 1980s and 1990s. In view of the larger role likely to be played by regional and local governments, some savings could result from service delivery at those levels, where lower consumer prices and extended-family support systems may permit slightly lower pay scales.

4.16 **Allowances.** The past practice of the payment of multiple allowances and non-cash benefits should be eschewed. Cash allowances distort the salary structure, introducing inequities and making the wage bill difficult to control. Allowances should be integrated into the pay structure to the extent possible, and the total remuneration accruing to each position should be clear, based on qualifications, experience, degree of responsibility, and performance. All wages should be paid out of the ordinary budget and no special project allowances paid from the development budget should be introduced.

4.17 **Income taxes.** Another aspect of government salaries prior to 1977 was that they were subject to a "development tax" which was deducted from the wage package before it was paid out. Serious consideration should be given to introducing a withholding tax on government salaries, and to adjusting salary levels accordingly. Taxing government salaries, even at very low marginal rates, helps to establish an environment in which the payment of income tax is an expected norm and facilitates the implementation of a more general system of income taxation.

D. Maintenance of Security

4.18 **Introduction.** The restoration of peace and security in Somalia will require the reestablishment of an effective police force, a legal system that provides the basis for police activities, and a penal system that can detain and punish offenders. The legal and law enforcement systems that are emerging on a piecemeal basis at the district level, as described

in Chapter II of this report may have to be integrated into a comprehensive national system at some stage, albeit with latitude for local adaptations and preferences so long as these do not undermine national cohesion. Issues related to the security systems will be explored in this section of the report.

4.19 **Police forces.** There is no doubt that the present police forces that have been reformed (3,000 in Mogadishu and 1,500 each in the northeast and northwest) are inadequate to preserve law and order in Somalia even in normal times. UNOSOM is proposing that these forces be increased to 10,000 as soon as possible with the objective of having a trained force of this level by December 1994. UNOSOM further visualizes the expansion of this force to the pre-civil war level of 18,000 by March 1995. The cost of the first phase is estimated at US\$39.5 million, including salaries, uniforms and equipment, vehicles, restoration of police stations, training, and technical assistance. Police forces would be under the operational control of regional and district councils until a national government structure is reestablished.

4.20 **Judicial system.** UNOSOM is reestablishing a three tier judicial system modeled on the prior existing court structure to operate under the 1962 Criminal Procedure and Penal Codes, and expects it to be in place by October 1993. This system, considered to be temporary, will be adjusted on the basis of decisions to be taken by the Transitional National Council when it comes into being. Judicial selection committees will be set up in each region to select judges and magistrates, and will oversee issues of ethics and discipline in the judiciary. Courtrooms will be renovated and provided with necessary equipment. The cost for supporting these operations for calendar year 1994 is estimated at US\$3.5 million, including salaries, renovation, supplies, equipment, and training.

4.21 **Prison system.** UNOSOM is renovating prison facilities, and will employ members of the old Custodial Corps to manage them. Initially, it will pay salaries for 1,000 persons to run the prisons. The cost of reestablishing the prison system is estimated at US\$2.2 million for calendar year 1994, including salaries, renovations, supplies, uniforms, equipment, and advisory services.

4.22 **Issues.** The principal issues related to the reestablishment of the civilian security system in Somalia is the ability of a future government to take over the cost of operating that system. This is especially troublesome based on the salaries that UNOSOM proposes to pay during the startup period. Failure to maintain the initial salary levels would undermine morale and weaken the service at whatever time international support was not available. This issue should receive careful consideration by UNOSOM before embarking on the planned expansion and startup of the police, judiciary, and penal systems.

4.23 Another issue relates to the relationship between a future national government structure and the local structures that are emerging, as well as the desirability of adopting uniform laws and legal procedures. These issues should receive early attention in any planning process to assure that the interim steps being taken are compatible with a functional long term system of law and justice.

Table 4.1: Adjusted Civil Service Salary Structures

Grade	Step	A	B	C
		Actual Salary 1/1/90	1977 Salary in Shillings 1/1/90	Proposed Salary in Shillings 1/1/94
Apprentice		1,530.20	18,977	104,000
D14	1	2,550.25	31,629	156,000
	5	2,975.30	37,995	187,200
D13	1	3,099.25	39,537	166,400
	5	3,595.15	45,863	199,680
D12	1	3,719.10	47,444	187,200
	5	4,094.55	53,770	223,600
D11/C11/X4	1	4,215.00	53,914	213,200
	5	5,026.05	64,912	255,840
C10/B10/X3	1	5,048.95	67,931	260,000
	5	5,752.40	80,008	312,000
C9/B9/A8/X2/F3	1	6,512.20	90,575	338,000
	5	7,341.00	103,514	405,600
C8/B8/A7/X1/F2/AY3	1	8,156.70	115,016	416,000
	5	8,584.30	132,268	499,200
A6/F1/AY2-1	1	8,673.05	143,770	572,000
	3	9,010.80	152,396	655,200
A5	1	9,265.90	156,709	676,000
	4	9,775.90	165,336	780,000
A4		9,860.90	166,773	884,000
A3/AY1	1	10,200.95	172,524	925,600
	3	11,051.05	186,901	998,400
A2/AY1	1	11,901.10	201,278	1,092,000
	3	13,309.85	230,032	1,274,000
A1	1	13,880.60	258,786	1,352,000
	2	14,580.15	287,683	1,560,000
**		13,946.00	275,171	1,404,000

** University faculty

V. SOCIAL SECTORS

A. Introduction

5.1 Coverage and quality of the social sectors was low and still deteriorating even before the current crisis further exacerbated the situation. The following chapter presents a brief analysis of the situation in health and nutrition, education, and displaced persons and suggests a series of immediate and medium-term responses. The overall strategic approach is to build on the considerable capacities and coping mechanisms of households and communities and to strengthen the districts to bring essential services as close to the communities as possible. In order to move toward long-term sustainability, efforts need to be made to find the most appropriate mix of resources, combining user fees, other household contributions, and national and external funding. Not only will communities need to contribute materially to service delivery, but mechanisms need to be developed to allow a degree of community management and control, reinforcing a sense of ownership and ensuring a greater degree of accountability by service providers.

5.2 The special circumstances of the country, together with the specific needs of the social sectors which are staff intensive and geographically dispersed require that planning be regionalized. Thus, planning would build on the different opportunities in the zones and regions, the ecology and topography, the population densities and distribution, the life styles (permanent settlement or nomadism), the availability of personnel, the level of literacy, the existing social infrastructure, and the social coherence and the cooperation among various clans.

B. Health and Nutrition

5.3 **Pre-war situation.** Prior to the outbreak of civil war in Mogadishu, the health care system was already under-financed and scarcely functioning. In 1989, only 1.7 percent of its recurrent expenditures went to health, compared to a 5.9 percent average for sub-Saharan Africa. It was heavily oriented to curative services (70 percent of non-salary expenditure). Provision of services was spotty and without continuity, as they depended heavily on donor funding. It was disproportionately concentrated around urban centers. Twenty percent of the total population, living in Mogadishu, was served by 78 percent of doctors and 47 percent of nurses, leaving a large number of district hospitals (73), health centers (85), Maternal Child Health (MCH) centers (67), Public Health Care (PHC) units (51) and health posts (409) that serviced the rural population, with very few qualified health workers. Health indicators were among the poorest in Africa. In 1987, life expectancy was 47 years, infant mortality 150 per 1,000, and an under five mortality rate of 190 per 1,000.

5.4 **Shifts in the demographic distribution and vulnerable groups.** One of the effects of the civil war has been the massive flows of people from major population centers back to the relative safety of their clan lands. In addition, there has been a steady inflow of returning refugees from neighboring countries. These movements have shifted the centers of population concentration about the country. Economic and physical capacities of the communities at the receiving end have been stretched to the limit; and a large share of the

population live without adequate water or sanitation facilities; without a regular sources of income; depending on the support of the extended family, family remittances, and food aid. It is believed that there are about one million displaced persons living in camps around the country. The most vulnerable groups are households headed by women and those without traditional clan support, e.g., urban squatters, the riverain Bantus, etc. In a survey carried out in February 1993, about 80 percent of households in Mogadishu were displaced and dependent on food aid.

5.5 The current situation. Major health problems are still diarrhea, acute respiratory diseases, malaria, tuberculosis, malnutrition, anemia, and physical and psychological trauma from war. During many months following the outbreak of fighting, health care was stalled by severe security problems. Preventable diseases took a high toll on an acutely malnourished population. As the security situation improved, some 30 hospitals, 73 MCH centers and 132 health posts were reopened with donor and NGO assistance. The UNICEF Supported Immunization Program vaccinated about 650,000 children against measles and provided them with vitamin A supplements. These efforts have paid off. More recent emergency health and nutrition data reveal that acute hunger and danger of starvation are over, and the health conditions of women and children have been improving. In Hoddur, Bardere, Mogadishu, and Baidoa where the problem has been most severe, the malnutrition rate is believed to have declined from 40 to 60 percent to 11 to 38 percent. It is estimated to be 13 percent in Kismayo, and 2 to 8 percent in the northeast and northwest regions.

5.6 However, acute shortage of trained manpower in health and management is a binding constraint. Though data are not available, it appears that the already small number of trained health workers has been further decimated by casualties of war and through diaspora of the population in search of better security. This void needs to be filled through a concentrated effort to train health professionals at all levels.

5.7 Strategy for a new health system. Without an effective central government, there is no longer a central authority to plan and control health services. While this creates problems of coordinating and standardizing quality of services throughout the country, it also opens the opportunity to shift the foci of health service management to districts which are closer to the communities, and to design a system which responds to individual community needs. The following could serve as guiding principles for the new health system:

- Ensuring access by all citizens to a package of essential health interventions.
- Community participation, both in the identification of needs and the management of services.
- Cost sharing based on the community and household ability to pay in order for the health services to be sustainable.
- Shift of emphasis from curative to preventive care.
- Greater women focus in interventions.
- A central health authority trimmed of bureaucracy whose *raison d'être* is to formulate policy, establish technical standards, facilitate the services provided by the districts, coordinate external assistance, and to provide managerial and technical support.
- Elimination of the urban bias and unequal geographical/clan distribution of health services.

Priority Action Plan in the Short Term

5.8 **Provision of essential drugs and cost sharing.** For some time to come, Somalia will not have the capacity to procure drugs to meet its needs. A minimum package of essential drugs will need to be provided to all health facilities. While public health institutions provide health care and drugs free, health workers often demand fees. The brisk business which has developed at private pharmacies indicate that there is a broad capacity and willingness in many places to pay for these services. **Introduction of fees** will ensure more transparency to the system, and allow the health facilities to use resources generated to improve facilities, replenish supplies, and/or increase remunerations of health workers.

5.9 **Expand MCH centers to deliver integrated services and to function as training centers.** Especially at a time of dire shortage of health professionals and facilities, it is not cost effective to adhere to a system of separate MCH clinics, exclusively serving mothers and children under five, while leaving other members of the family to seek health care elsewhere. These clinics could become multipurpose and function as a one-stop family health center. With some additional orientation of the staff, they could also serve as temporary training posts on basic health care for health workers.

5.10 **Multipurpose basic health care mobile units.** Mobile units have been an effective means of reaching the people accounting, for example, for 75 percent of all immunizations. As with MCH centers, these mobile units could be multipurpose. They could be equipped with the essential drugs and trained personnel to bring basic health care to the communities, in addition to immunization. The mobile units could also help bring health education to the communities.

5.11 **Water and sanitation.** UNICEF and other NGOs have been active in providing safe water and sanitary facilities for communities, but more needs to be done. Preventable waterborne diseases and diseases due to poor sanitary conditions still afflict a large share of the population. Through radio and contact with community leaders, campaigns could be launched to sensitize the public. Communities could self-select by volunteering free labor (or labor for food) in order to receive materials necessary to build or rehabilitate water and sanitation facilities. Emphasis would be given to training members of these same communities in the management and maintenance of the facilities, and to the establishment of back-up district technical support services.

5.12 **Public education in health and nutrition with women focus.** Women are the primary caretakers of health and nutrition of the family. ~~More women health workers need to be recruited to reach women more effectively.~~ Advantages of breast feeding, healthy weaning practices, childcare, child spacing, and other basic health and nutrition information should be provided. Traditional midwives and health workers staffing the mobile units could be trained to spread the messages. Community leaders could help identify respected women in the community who could be trained in basic nutrition and health and could be encouraged to form women's support groups to spread messages and advice and reinforce good nutrition and healthy, sanitary habits.

5.13 **Income generating activities with women focus.** Casualties of war have left a large number of households headed by women. Surveys show these families are poor and

more vulnerable. Income generating activities such as special credit facilities, assistance in starting up in business, or training in skills and crafts could be introduced and specifically targeted at women and other vulnerable groups (which have no clan affiliation to fall back on).

5.14 Health/nutrition surveillance system. The health and nutritional status of the population has improved significantly compared to 1992 but it remains fragile. The security situation remains fluid, keeping economic activities depressed, and people's incomes still precarious. The need to respond to the most acute needs keeps donors and NGOs operations on the move from one locality to another. Therefore, there is a danger that slippage in health and nutritional status might occur in some pockets of the population. A health and nutrition surveillance system needs to be established to detect potential trouble spots and to provide early warning for timely intervention. At the same time, the surveillance system could provide periodic reports on sector performance by focusing on selected indicators of coverage and quality (e.g., immunizations coverage and measles cases).

5.15 A steering committee to coordinate NGOs and donor agencies. NGOs and donor agencies active in the sector have been largely free to set their own standards of quality control, management network, and staff remuneration scales. As their numbers increase, there is a greater need for closer coordination in order to establish comparable scales of remuneration, mutually consistent systems of operation, and to avoid arousing expectations which cannot be sustained in the longer run (such as inflated salaries and wages). Economies of scale could also be realized by coordinating transport, which is one of the highest cost components in the provision of health services to rural areas. A steering committee consisting of a select NGO and donor agency, together with qualified Somali counterparts, could play this apex role, filling in for the absence of a central health authority.

5.16 Regional/district linkages. The key operational unit should be the district health team, answerable to recently established district councils. Each district will have a district hospital or referral center and provide technical support and guidance to the clinics and health outposts that serve the communities. An important challenge for those districts with a large nomadic population is to devise a system which can reach this population to help improve their health and well-being.

Action Plan for the Medium-Term

5.17 Demographic survey. In light of the shifts in population distribution which has occurred in the last three years, a new demographic map will need to be prepared which will provide the basis for permanent location of hospitals, clinics, outposts, etc.

5.18 Physical rehabilitation/construction. Most of the health facilities have been looted, defaced, or taken over by squatters. An inventory of physical facilities and their condition will need to be taken, and those suitable for rehabilitation identified. Based on the results of the demographic survey and the existing facilities to be rehabilitated, loci of new structures will be planned to assure equitable access to health services.

5.19 Resumption of structured health personnel training. As a short-term measure, MCH/family health clinics are to be mobilized to provide training in basic health

care. For the medium- to longer-term, Somalia needs to replenish and increase the number of health professionals by a combination of training abroad and the strengthening of training institutions in the country. A feasibility study should be undertaken to identify staffing needs and profiles and to define a long-term strategy for health personnel development.

5.20 Women-focused health education. Community women's support groups will continue to play a key role in educating community members on better health practices. Efforts will be made to apprise these groups of the increased incidence of maternal mortality at childbirth due to female circumcision, and to mobilize their active support to educate the women and girls of their community to discontinue this practice.

5.21 Drought, health and nutrition surveillance. In order to enable targeted and timely intervention in the future, health/nutrition surveillance teams will also be trained in drought surveillance which has a direct bearing on household food security, and by extension, on health and nutrition status.

5.22 Legal and regulatory framework. Laws governing the provision of health services, licensing of physicians and pharmacists, and cost recovery and operation of hospitals and clinics need to be revised to permit private sector operations and to put greater authority and responsibility at the district level for the delivery of health services.

5.23 Functions and responsibilities of different levels of government. The role of the central authority should be to formulate overall policy, provide technical and managerial support, mobilize additional resources (with an emphasis on underserved regions), and to set standards of quality and coverage. The regional level, at least in the interim, will be responsible for budget planning, allocation of human resources, supervision of, and support to, districts. The districts will receive the authority and resources to take responsibility for the management of service delivery.

C. Education

5.24 Background. In 1960, at independence, Somalia inherited 233 primary and 12 secondary schools from the Italian and British colonial systems. The two systems not only used different languages (Italian and English), they were also quite different in pedagogical approach, curriculum, and organizational structure. One of the government's priorities, therefore, was to create a unified school system, expand access to education, and set up a national university.

5.25 For the first ten years after independence, there was little growth in education. In 1972, Somali was adopted as the language of instruction in primary and secondary schools, school fees were abolished, and an intensive rural literacy campaign was launched. A period of rapid expansion then ensued: primary enrollments increased from 78,000 students in 1974 to 220,000 in 1981, representing about 30 percent of the primary school age population. Secondary enrollments also increased at a rapid rate, from 9,500 in 1973 to a peak of about 65,000 in 1983. These enrollment levels were sustained for two or three years after which worsening financial provision for education precipitated a significant decline.

5.26 By 1988, primary enrollments had fallen by 58 percent to about 159,000 (representing less than 10 percent of the primary age group) and about one quarter of all primary schools were closed. Enrollments in secondary and technical education decreased even more sharply from their peak levels. Thus, the crisis in education in Somalia started well before the collapse of Siad Barre's regime.

5.27 The structure of the education system was eight years of primary education, which consisted of a four-year elementary cycle and a four-year intermediate cycle. Secondary education (general or technical), was also four years. University education (four years for most courses) was provided at the Somali National University in Mogadishu. Teachers for secondary schools received four years of post-secondary training at Lafole College of Education, affiliated with the National University.

5.28 The introduction of Somali as the language of instruction was by no means uniform throughout the education system. Koranic education was provided in Arabic. Somali and Arabic were used as the language of instruction in primary and secondary education. Vocational and technical education was conducted in English, while most faculties at the Somali National University used Italian as the language of instruction.

5.29 The Ministry of Education and Culture (MOE) was responsible for the management of the system. The MOE had four levels of authority—central, regional, district and community levels. Policy decisions were made at the central level. At the regional level (eighteen in number) the Regional Education Officer (REO) was responsible for the implementation of the MOE's policies and programs and for providing feedback on educational issues to the central level. At the district level, the District Education Officer (DEO), reporting to the REO, was responsible for the monitoring and evaluation of schools in the district and providing professional guidance to the teachers. At the community level, the Parents Teachers Association (PTA), together with school headmasters and teachers made up the fourth tier of systems management. The bulk of education expenditure was covered by the budget of the Ministry of Education and Culture.

5.30 **Problems of education.** The overriding issue in the education sector was the grossly inadequate provision for *education financing*. Inadequate financing impacts on all aspects of education. With respect to *teachers*, extremely low pay and difficult working conditions reduced the number of qualified teachers and limited the time available for teaching to those who remained. Today, few qualified teachers remain, particularly in rural primary schools. Most *school buildings* have been destroyed and looted and others are in an advanced state of disrepair. There are few textbooks, instruction materials, and almost no other educational equipment. Finally, *educational management infrastructure* is nonexistent. Since the civil war, most children and young people have received little or no formal education. The only surviving institution of learning—Koranic schools operated free of charge by religious leaders in the neighborhoods and displaced persons camps—provide children with a few hours of informal religious instruction each day.

5.31 The priority problems of education in Somalia can be summarized as:

- Lack of institutional infrastructure for the management of education.
- Inadequate school buildings for school children.

- Poor quality and demoralized teaching force.
- Lack of basic instructional facilities.
- Lack of textbooks for teachers and children.
- A large number of children with psychological problems due to war trauma.

5.32 **Objectives of education.** The overall goal is to establish a sustainable education system which can, over time, provide a basic quality education to all children, equipping them with the knowledge and skills needed to earn a living and to improve the quality of their lives. The immediate goal is to ensure that as many children as possible have access to a basic learning package that will be defined in detail with local educators and community leaders. The specific objectives are:

Objective 1: Assist communities in educational development and management through community ownership and management of schools.

Objective 2: Assist communities to rehabilitate primary schools, make them functional, and improve the quality of education. ②

Objective 3: Assist communities to generate financial resources to support quality education.

Objective 4: Develop a model for the provision of counselling to traumatized women and children.

Objective 5: Develop cost-effective and innovative ways of increasing and improving access to basic education.

5.33 **Overall strategies.** The strategies to achieve the above objectives include:

Mobilization of communities and nongovernmental organizations:

Community mobilization and facilitation techniques will be used to assist communities in identifying their traditional methods of teaching children and in defining their education priorities and problems and the opportunities and solutions that arise from community. In particular, links will be strengthened with the Koranic schools and informal learning systems which could be of particular importance in reaching nomadic groups. The full participation of nongovernmental organization (NGOs) in the formulation, implementation, monitoring, and evaluation of education shall be actively sought.

Strengthening of the partnership between school, home, and community:

Parents, Parents Teachers Associations (PTAs), and district committees will need to take an active part in the management of education programs, and in sharing the costs of those programs. Local communities can assist in mobilizing financial resources and self-help labor. Some direct financial support from the families of school age children will be needed to supplement the meager resources available from the central budget.

Such participation also helps to ensure that the type of education and training offered is relevant to local needs.

Development of viable alternative learning systems:

Viable alternative learning systems encompassing the formal and nonformal sources of knowledge need to be designed and developed in addition to support to formal primary schools. The media, mainly radio, can be utilized as an effective tool to expand the outreach and improve the delivery of basic education programs. The media and other nonformal techniques can also provide essential information in such areas as health, sanitation, nutrition, and environmental protection.

Immediate Priorities

- Formation of education committees at the community level. *+ coordinating agency*
- Rapid functional rehabilitation and reopening of schools.
- Provision of basic education kits.
- Print primary school textbooks. *(3)*
- Train headmasters on basic principles of school site management.
- Retrain primary school teachers through in-service programs.
- Train selected teachers to deal with children and the disabled suffering from war trauma.
- Capacity building of the local education authorities, including mobilization and management of financial resources.

D. Resettlement of Displaced Persons and Refugees

5.34 Over the past two years, there have been several waves of people fleeing hostilities as well as a number of significant return migrations. These reflect the many diverse causes of displacement, including:

- a) flight from zones of conflict;
- b) ethnic adjustment resulting from conflict;
- c) drought; and
- d) acute food scarcity.

5.35 Various estimates made in September 1992 place the number of displaced people at 1,600,000, nearly one quarter of whom resided in and around Mogadishu. This estimate excludes an "invisible" displacement formed by people who have not taken up residence in camps or shells of buildings, but who have moved in with relatives, and thus, are integrated into the urban population. In Mogadishu, the conflict has created a massive internal displacement of people. Much of the population that originated from the central city—which is now in ruins—or from the no-man's land which separates the two halves of the city still reside in Mogadishu. These people are living with relatives rather than in camps.

5.36 Surveys conducted in August 1992 revealed that displaced people were willing to return home, but could not because:

- a) there was no guarantee that they could get food in their home areas;
- b) they had no resources to permit them to return and rebuild a livelihood;
- c) their homes were destroyed or occupied by other displaced people; or
- d) they were too weak to return.

5.37 Despite a general desire to want to return home, many displaced people are likely to remain permanently in Mogadishu. This is not unusual among displaced people. Past experience in other countries has shown that many rural to urban displacees in times of conflict do not go home when peace returns. This is especially true among teenagers and young adult males. It is also common among destitute women. (See *Shelter and Urban* sections).

- **Strategies for displaced persons in urban areas must include not only the process of repatriation but also one of integration into urban society.**

5.38 A major problem is emerging among pastoralists. Their stock losses are total in some areas; elsewhere, a combination of drought, looting, disease, lack of veterinary services, and above all, of protracted distress-selling have reduced herds to 20 to 30 percent of normal size. Continued distress-selling for food needs will cause many herds to disappear within the next 3-6 months, creating new waves of destitute displacees. Moreover, while agricultural areas can be rehabilitated in one or two seasons, rebuilding herds from scratch can take from five to ten years, and there are limited prospects that traditional support mechanisms have the capacity in the short-term of assisting kin with rebuilding herds.

- **There is a critical, immediate need to reduce further stock depletion. The alternative will be the need for new re-active relief programs in a few months' time.**

5.39 Therefore, veterinary programs urgently need to be assisted and expanded; well and borehole rehabilitation must begin in many areas; and delivery of dry rations must be expanded to curtail distress selling even though on the surface, pastoralists do not appear to be seriously malnourished.

- **It is essential that livestock populations be rebuilt by providing expanded veterinary services and rehabilitation of wells.**

This will lead to some displaced pastoralists gaining access to livestock through traditional means in the medium-term. In the meantime, the resettlement of some pastoralists on unused irrigated or rainfed lands as cultivators should be seen as an interim "solution"—any surplus income generated by those settlers will most likely be used to rebuild their herds.

5.40 Among the most vulnerable groups of people who need attention are orphans, the physically handicapped and war injured, the mentally handicapped and trauma victims, the street children and child soldiers, the widows and female-headed households, the aged, and eventually, the demobilized militias and gunmen. Local informal institutions must be created to deal with these populations and appropriate NGOs must be recruited to assist with the development of social rehabilitation programs for them.

- **A major medium-term need will be for the development of programs of social rehabilitation.**

5.41 The famine in Somalia has ended. The problem now is that large numbers of the population remain without any means of economic support, and thus, are unable or only minimally able to take advantage of the significant food supplies available in local markets throughout the country. The displaced population, especially those living in camps and outside traditional support mechanisms offered by kinship groups, remain the most vulnerable and continue to be almost wholly dependent upon food aid provided by WFP and some NGOs. Fair and equitable access to dry rations is, for many displaced, still a major impediment to recovery.

- **Establishing minimal levels of income generation for the displaced at their present locations must be seen as the principal rehabilitation and reconstruction need, or where feasible, facilitating return of the displaced to their home areas by ensuring that they have access to the means of production and sufficient food security until harvests can be produced.**

The prospects for the return of the pure pastoralists to their home areas are not very promising in the short term.

5.42 Information available on the numbers of displacees is conflicting and a more realistic estimate is needed by the international community for planning purposes. However,

- **The whole issue of population numbers is politically contentious and any attempts at carrying out an independent census would quickly encounter local opposition.**

An appropriate method for obtaining more reliable estimates needs to be identified.

5.43 Both regions in the north, as well as several southern and central regions, including Mogadishu, contain sizable numbers of residual refugees from Ethiopia. Many have been camp-dependent for nearly fifteen years and appear to have few capacities, or even the will, to become self-sustaining. Some are prepared to return to their home areas in Ethiopia if they are assisted, others are ambivalent about returning. A major problem is that these refugees are not only among the most economically vulnerable of the displacees, but are also highly politically vulnerable and at risk of being yet again displaced by local authorities.

- **A special sub-program, hopefully in conjunction with UNHCR, is needed to address this problem.**

5.44 There has been a considerable return movement of displaced people in the central region, especially from Baidoa in the upper, middle, and lower Shebelli. Seed and tool distribution programs, together with dry ration distribution to the villages, has succeeded in drawing many displaced back to their villages in time for the current Gu season.

- A major impediment to the recovery of agriculture, and therefore, to the further return of displacees, is the impact that continuing food aid deliveries are having on prices for locally produced grain.

5.45 In Mogadishu, dry ration distribution has replaced wet-feeding and the numbers of displaced people receiving food is decreasing. The resurgent informal economy has spread to many of the displaced, but much more needs to be done to strengthen their ability to generate income. Some families have divided as able-bodied members have returned to the villages for the Gu cultivation, while the rest of the family remains in the camps. Recent arrivals from Kismayo are creating new needs in some camps.

- Realistic shelter programs are urgently needed, not only for the "visible" camp displaced, but also for the "invisible" living with kin throughout Mogadishu.

Overcrowding is chronic throughout the city's surviving residential areas. It is likely that in the long term, many of the displacees will become permanent residents of the city.

5.46 Many of the displaced in the major cities are of two types—migrants from rural areas with few if any urban skills, and those of urban origin, many of whom have professional or technical skills or who were former merchants or bureaucrats.

- Rehabilitation programs must, therefore, target quite different populations.

An array of income generating activities need to be promoted, targeting both men and women. Indeed, in many cities, women have become the main bread-winners through their extensive "informal" economic activities. These capacities must be strengthened and developed.

- Small scale urban-oriented credit schemes must be established to facilitate this process.

In the absence of banking institutions, creative alliances must be formed between local NGOs, merchants, and clan elders for the mobilization of credit schemes.

5.47 The Juba Valley and Kenyan border areas present especially urgent problems. Over the two months prior to the onset of the Gu season, several thousand refugees returned from the Kenyan border, stimulated in part by the seed and tool distribution programs of some NGOs. Soon, UNHCR will repatriate the remaining 300,000 or so refugees, most of whom are likely to return to the Juba Valley or between it and the Kenyan border. It is unfortunate that this repatriation was poorly timed, since only a few thousand had been returned in time for the current Gu cultivation season.

- The impending organized repatriation following the end of the current rains, with only one month dry ration provided per family, is likely to create a new problem in places like Bardere, Sakow, Garba Harre, and Luuq unless there are regular and reliable supplemental dry ration

distributions in villages until the next Deyr harvest (next December/January).

- When refugees return in large numbers from the border, and as major programming for agricultural rehabilitation gets underway and the possibilities of mounting some resettlement schemes are considered, it is critical that the international aid community fully understands the complexities and intricacies of the local land tenure system and the mechanisms that are in place for allocating rights to land use. Unless the international aid community works with the prevailing systems, any interventions made are unlikely to succeed.

5.48 In the upper Juba, and especially in the Luuq-Dolo-Bulo Hawa triangle controlled by the fundamentalists, a favorable security situation exists for the immediate promotion of reconstruction and development initiatives. Displaced people are returning to this area, including refugees from Ethiopia, and large tracts of unused land, much of it formerly used by Ethiopian refugees, is available for immediate settlement. Clan rivalry has been minimized by the fundamentalists and an attitude of cooperation and integrity is discernible among the local leadership.

- Significant prospects for small-scale commercial irrigation development exist in this area provided the route to traditional southern markets can be reopened.

5.49 The middle Juba, and especially the town of Bardere, currently hosts many displacees from within the region as well as returnees from the Kenyan border. The availability of food appears to be the principal reason why so many people have migrated to the town. The area was extensively developed in pre-war days for both irrigated and rain fed agriculture, however, only a small proportion of the land is now cultivated. Estimates are that less than one percent of the rainfed area in the Bardere-Dinsor-Sakow triangle is under cultivation, and in the irrigated areas, most pumps have been looted.

- The rehabilitation of commercial agriculture in the middle Juba region is impeded by poor access to markets in Baidoa, Mogadishu, and Kismayo.

5.50 With the exception of the lower Juba where conflict continues, lack of food security is more of a deterrent to displacees returning home than is lack of personal security. Few areas have sufficient local surpluses to support even small numbers of returnees until the next harvest. Consequently,

- any programs for return migrations to remote areas must ensure that both the means of production and dry rations lasting to the next harvest are made available.

5.51 There is a need to ensure that

- there is greater coordination between agencies engaged in promoting return and reintegration programs.

It is essential that return movements respond to "pulls"—that is, by providing seeds and rations at the village level. For many displacees, transport will also be needed, but the

- provision of transport without the parallel provision of the necessary means of survival at destinations must be avoided.
- Under no circumstances should UN agencies, NGOs, or donors assist in resettlement programs promoted by local authorities whose aim is purely to relocate displacees out of an area.

Organized returnee programs will be more effective if the implementing agency first promotes meetings between the elders of intending returnees and elders in the source areas.

5.52 The principal needs in the agricultural and agro-pastoral areas continue to be seeds and tools, and in the irrigated areas, access to fuel and the rehabilitation of canals.

- An extensive re-stocking program of irrigation pumps through revolving credit schemes is needed in the medium-term.

The seed distribution programs undertaken to date have contributed significantly to return movements. More emphasis must now be placed on providing local seeds, whenever possible.

- Access to potable water also remains a major problem in many areas. Reliable access to markets is imperative if commercial agriculture is to be rehabilitated, and by extension, if credit schemes aimed at agricultural reconstruction are to work.

5.53 As the peace process continues, disarmament and demobilization of the militia will likely accelerate. Since reconstruction and rehabilitation can only benefit from enhanced security,

- the reintegration of demobilized militia into the mainstream of society must be given high priority.

Few are likely to want to return to their rural roots, but if they can be assured that they will have realistic prospects for generating income, many may opt for resettlement as cultivators. Urban based programs, however, must be emphasized.

Alliances with local NGOs and local business communities must be explored in order to develop effective reintegration programs for youth and young adult males. In some cases, they may also benefit from social-psychological counseling.

5.54 A major constraint to the whole reconstruction process is the lack of local institutions through which to implement programs.

- Dependence upon expatriate NGOs is clearly not a realistic longer-term option.

The capacities of local authorities, therefore, must be developed whenever possible. Matching funds for locally generated revenue is one route which needs to be more fully explored. The linking of expatriate NGO programs with local "ministries" must also be extended.

- **A local government institution building and support program must be developed and must draw on the large pool of unemployed professionals and intellectuals.**

Such programs could readily be staffed by expatriate Somalis brought back on short-term contracts.

5.55 There is also a parallel need to better utilize the local NGO capacity. Since it will be several years before government institutions are fully operational, Somali NGOs have a significant role to play in the reconstruction process. Many of the recently formed local NGOs have personnel with substantial professional and technical skills. Many, but not all, also show high levels of motivation and integrity. Developing the capacity of local NGOs would be greatly enhanced by linking them with expatriate NGOs; donors of expatriate NGOs should make this a conditionality. Also,

- **a Somali NGO support unit is urgently needed to provide them with training on all facets of running effective and accountable NGOs.**

E. Food Aid and Food Security

5.56 The immediate food security and food aid concerns of Somalia are dominated by the fall-out of the recent conflict: restoring security; providing food for refugees, returning farmers, and other vulnerable groups; restoring production; and reestablishing a balance between domestic food production and inflows of food, including food aid. Many of these can only be dealt with in the field by those with specific knowledge of the needs and circumstances of different groups and regions within an evolving security and governance environment. This underscores the need for flexibility as the circumstances change and as security is restored. This section deals with the framework that needs to be restored, and then considers some of the issues presently dominating concern within that context.

5.57 The important points to note are:

- **Food production stagnated in Somalia from 1970 through 1980 at about 250,000 tons of cereals, and another 50-75,000 tons of pulses and oilseeds. The main reason for this was tight government control over domestic marketing and prices of basic foods. During the first half of the 1970s food imports and food aid were small. After 1975, however, food imports averaged 157,000 tons per year, 62 percent of production, and food aid was one-third of this. Average cereals availability for food (less feed, seed, and waste) declined from 154 kilograms per capita in 1970 to 110 in 1974, but rose during the last half of the decade to an average 175 kilograms, due entirely to increased imports, most of which were commercial.**

- From 1980 onwards, however, three important changes took place. First, cereals imports rose sharply to average nearly 350,000 tons annually. Second, food aid was more than 200,000 tons of this, an important element of which was food aid for refugees. Third, as the government's capacity to control food marketing collapsed after 1980, there was a dramatic rise in domestic food prices and production, both cereals and other foods. From 1980-1985, domestic cereals production more than doubled to 620,000 tons, and it remained at this level through 1990. The combined effect of sharply increased domestic production and high imports (mostly food aid), produced a dramatic increase in cereals availability for food, from less than 150 kilograms in the early 1970s to 250-300 kilograms from 1981 through 1989. The importance of this is that in a "normal" situation in Somalia high levels of production and imports must coexist.

5.58 The situation since 1990 is murky. Extremely low levels of domestic production are reported—281,000 tons in 1990 and around 200,000 tons in 1991 and 1992. These are somewhat suspect however. Low levels of food aid are also reported for 1989-91, in the range of 66-94,000 tons. But total imports are reported at nearly 200,000 tons, which may be an underestimate. The reported high levels of food aid in 1992 and particularly 1993 (July 1992-June 1993 of 455,000 tons) are probably more or less correct, but their distribution during these two years needs to be treated with caution. Nevertheless, it seems clear that there was a sharp drop in supplies during 1991-92, with massive inflows of food assistance from July 1992. These inflows of food aid clearly overcame the worst effect of the famine, but are said to now have saturated the market.

5.59 Some key issues now are: a) how fast can domestic production be expected to resume; b) what are the key elements in the resumption of domestic production; c) what levels of food aid are needed; d) what form should food aid take (direct deliveries of food or monetization); and e) how should the supply and demand of food aid and imports be managed?

The Resumption of Domestic Production

5.60 Reports from the field suggest that the resumption of domestic food production will be slow because: a) many farmers have abandoned their fields and will require assistance (inputs and food) to reestablish themselves; b) excessive supplies of food aid overhang the market, producing low prices, which, in turn are causing farmers to abandon their crops in the field or not to plant; c) the destruction of the irrigation system along the Shebelli and Juba rivers and the shortage of production inputs has reduced production possibilities.

5.61 Counter evidence to this is a reported Der harvest (January-March 1993) of 123,000 tons. While the reports suggest that this is only 60 percent of normal, it is in fact about average. The Der crop is usually some 20 to 25 percent of the total crop and is relatively minor. Total Der production in 1987-89 was respectively 110,000, 138,100 and 195,000 tons, with the last being a record. Thus, the reported Der crop suggests that production resumed more rapidly than might have been expected. There is also reported to be a "good" Gu crop, harvested during July and August, which is normally 75 to 80 percent of

the total. The average Gu season crop during 1987-89 was just over 500,000 tons. If by a "good" crop production near this level in 1993 is meant, total production may be much closer to the past levels of 600,000 plus tons in 1993.

5.62 There are other reasons to suspect that production may resume much sooner than thought. The previous production increases from 250,000 to 620,000 tons took place very rapidly between 1981 and 1985, despite limited improvements in the irrigation system, and few improvements in production inputs. The marketing and distribution systems were relatively undeveloped. The main feature of the 1981-85 production increases were sharply higher producer prices due to the collapse of the government's capacity to enforce low prices and deliveries to the state.

Needed Food Aid Levels

5.63 Judging from the situation in the mid-1980s, cereals imports will be needed of between 200 and 300 thousand tons, but these will have to be carefully balanced to encourage domestic production. This balance was not well managed in the past, however. The essential guiding principle should be border pricing, with a good internal system of supply and demand determination, and monitoring of internal prices. An important need is a small but effective unit that monitors these movements in domestic production and commercial imports, with food aid being the residual. This needs to be a national system, donor supported.

5.64 For some time to come, however, there will be a need for specialized interventions to protect the household food security of refugees, displaced people, disabled, orphans, and other vulnerable groups. In addition to targeted food aid, these interventions could include measures to improve access to skills training, credit, simple technologies for storage and processing, and other inputs required to increase household incomes and restore depleted assets. As much as possible, the targeted food interventions should be clearly distinguished from the broader issues of the management of food aid overall, and the efforts toward market stabilization.

5.65 Working-off the current excess supply of food is a high priority. The steps being taken to divert aid flows are in the right direction, but seem modest. The argument that food that has already been landed in the country cannot be withdrawn needs to be reconsidered. A strong guiding principle should be to restore viable price levels in the country consistent with border prices as quickly as possible. This may require storage in the country for some time, diversion of programmed supplies, and might even necessitate resale outside the country in some cases. Or, better still, direction of excess commodities to targeted interventions. The present premium on domestic foods over imported food aid supplies indicates an over-supply of aid donated food, but may be not as much as assessed, if local market imperfections are considered.

5.66 There is a risk that present humanitarian concerns and NGO/donor vested interests will perpetuate excessive aid flows, as did the earlier concern of the Somali government to keep food prices low, contributing to the depressed production levels in the 1970s.

5.67 Thus, while concern now seems to center on reestablishing farmers on their land, providing them with inputs and food, and using monetized food aid to finance this, recovery of production may not be as hard to achieve as presumed. Similarly, restoring the production system (especially the irrigation system) may not be as critical as suggested, although obviously important in the long-term. The system was not in such good shape before. Without precise field knowledge of the damage, it may not be realized how inadequate that system was before 1990.

5.68 The central concern is to reestablish and reinforce the marketing system (vehicles, fuel, spare parts, etc.) and rehabilitating the road network. These improvements need to be backed up by the reestablishment of a good market information system, such as that which functioned in the Ministry of Agriculture's Food Early Warning System Project, to guide marketing choices.

Is the Country Saturated with Excess Food?

5.69 Present reports emphasize the excessive supply of food in the country and the impact this is having on forestalling domestic production or marketings. While this may be a danger, the evidence reported seems exaggerated. July/August 1993 prices reported for Mogadishu and a few other markets indicate prices of major cereals on the low side, but not as disastrously low as indicated. Prices in Mogadishu are reported (except for some anomalies) at \$212 per ton for maize and \$148 for sorghum. In other markets, wheat, maize, and sorghum are reported at \$146, \$125, and \$140 per ton, respectively. If these prices are correct, while low, they can be compared with generous import parity prices of roughly \$300 per ton for rice; \$190 for wheat; \$170 for maize; and \$169 for sorghum. Since there is a reported premium for domestic cereals, these prices are not so far from import parity levels.

5.70 Some of the steps taken to relieve the pressure of possible oversupply are in the right direction, such as diverting some shipments and stopping general distribution programs. But others, such as monetization and the transfer of such resources to production and price support need to be considered with care.

5.71 By itself, monetization does not solve the problem of balancing domestic supply and demand at incentive prices to producers. It simply converts imported food aid into cash at an early stage. If the quantity converted is excessive it will result in reduced prices in the same way that distribution in kind would have done.

Monetization

5.72 While there is a presumed advantage to converting monetized food aid into counterpart funds for use in other projects, there are three issues that need to be considered. Are the mechanism in place to make these transfers? Are the transfers in the right direction? And does such a system lead to a dependency among competing agencies and NGOs similar to that of the government in the past?

5.73 Emphasis should be on undertakings that help to restore the country's marketing system or help to manage it. There is also some ambiguity in the current proposals for the uses of counterpart funds. Some, for emergencies and returnees, are clearly linked to

the food aid being provided. Others, while important, fall more in the area of general development assistance, and stray rather far from any direct link to the level of food aid, such as economic enterprises, education, and health. The absence of Somali-driven mechanisms of food management increases the possibility for multiple dependency linkages. There is said to be a difference of opinion between donor and international-driven NGOs who prefer dealing with local communities, and WFP which is said to prefer working through "public sector" organizations—the police, judiciary, teaching, and health. Missing from this is the need to develop in Somalia a group which can monitor and manage food aid flows for the benefit of reestablishing a functioning internal market. The two existing proposals seem to reinforce the extremes and leave the national market uncovered.

5.74 Another concern is the relatively small amounts of food aid that are involved in the various priorities. For example, much attention is devoted to how some 15,000 metric tons of cereals in Mombassa are to be handled (selling 4,000 tons and using the funds in Somalia). Elsewhere, reference is made to 5,000 tons for resettlement, 9,500 tons for distressed areas, etc. Since food aid flows are likely to be in the area of 200–300,000 tons, it would seem that the majority of the food aid will move through the system largely monetized, but not clearly managed, which would have serious overall market implications.

Priority should be placed on:

- Reestablishing and improving national food marketing.
- Balancing food aid supplies with national production.
- Targeted interventions to achieve food security.
- De-linking food aid from development support.

Reestablishing and Improving National Food Marketing and Balancing Food Imports with Domestic Market Prices.

5.75 A system should be put in place that monitors and forecasts national production and adjusts imports (including food aid) so that domestic prices equate to border prices. This should be a government driven, donor supported, effort that combines production monitoring, price monitoring and forecasting, and import/aid adjustment. Resources should be allocated to support private marketing, including transport, open-marketing, monitoring, etc. If the donors and NGOs are serious about reestablishing a national market, this team should be highly qualified, *but separate* from donors, and largely autonomous within the government.

5.76 Targeting interventions for food security. Specialized programs for refugees and returnees should be established based on need. A mix of commodity and cash (monetized) support should be provided depending on circumstances. These programs should be isolated from the market as much as possible. If other targeted interventions are needed (health/education/enterprise development) these should be financed separately.

5.77 De-linking food aid from development support. As much as possible, support for economic enterprises, health, and education should be financed separately and not tied to monetized food aid. Unless this is done, there is a danger of these development objectives driving a demand for food aid (to obtain monetized resources) that would unbalance

the inflow of food aid. Where food is needed to support these efforts, that aid should be separately managed.

Using Monetized Food Aid to Support Local Prices

5.78 The need for local price support should be limited to the management of *overall* supply and demand. Food aid and imports should be limited to supply the residual after local supply has been exhausted. Food imports and food aid are more flexible than local production, and the key issue is monitoring the flow of grain before it reaches the country.

5.79 It is desirable that available funds be used for local purchases *before* food aid is resorted to. But such a system should reinforce domestic production and marketing. If monetized food aid is used for this purpose, the grain is already on the market somewhere and acts as a disincentive.

5.80 Moreover, local purchases presupposes the capacity for local transport and storage, which is identical to that needed to control and manage food aid supplies. A better system is to move local supply around and store it if necessary, than to do this on top of excess food aid flows.

VI. PHYSICAL INFRASTRUCTURE

A. Introduction

6.1 Even before the outbreak of the civil war in the late 1980s, Somalia had run down its physical capital, which had been only partially developed in the first place. The chronic lack of domestic resources and its allocation to nonproductive activities contributed to the decline of infrastructure through the virtually complete absence of maintenance. In most subsectors, the only resources available for capital investment and recurrent expenditure were those contributed by the donor community. Since the outbreak of hostilities, much of the country's physical infrastructure has not only suffered additional neglect but has been the target of outright destruction.

- Preventing a further deterioration of basic infrastructure and gradually improving their operations within the medium term would in itself constitute a major achievement.

6.2 The current situation in Somalia dictates that long-term rehabilitation and reconstruction activities should be technically and financially feasible within a sustainable financial strategy. The following factors need to be kept in mind in developing a strategy for the reconstruction of physical infrastructure over the long term:

- It would be neither necessary nor possible to rehabilitate everything that was damaged; unproductive infrastructure or assets should not be included in the strategy.
- The proposed solutions should take into account the present extremely limited (virtually nonexistent) budgetary situation in Somalia.
- Technical proposals should initially be adapted to the existing implementation and maintenance capacity of the entities concerned.

6.3 Sectoral priorities should be determined following five criteria:

- number of beneficiaries;
- absorptive capacity;
- intersectoral linkages;
- delivery of essential services to displaced people; and
- the desirable role of the state as a new government unfolds.

6.4 This chapter attempts to identify the key elements of a planning framework which would govern the complex task of long-term reconstruction of physical infrastructure. The subsectors reviewed include transport, water supply, electricity, telecommunications, oil products, and housing and urban development.

B. Transportation

6.5 **Overview.** Somalia's transport infrastructure, even prior to 1991, was limited, consisting of 21,830 kilometers of roads, three principle ports, and four airports with paved runways. There are no railways, pipelines, or inland waterways, while coastal shipping, which once linked coastal cities both nationally and internationally, had essentially ceased. Domestic air transport was regarded as the means of transport to maintain communication with remote areas at affordable prices. Road transport is by far the most important means of internal transportation in the country. Because of the high foreign cost element in the transport system composed of roads and vehicles, traditional means of land transport to move goods, people, and services within the country are still common practice. Camels and donkeys are important: camels for carrying 100 kilogram loads over average distances of 30 kilometers per day and donkeys for small loads within and around towns and villages. Prior to the period of political instability which began in late 1989, the transport sector was managed by four inefficient parastatal organizations and no less than three Ministries. All of these now lie in ruins.

- The role of the transport sector will be to maximize provision of transport services with minimum foreign exchange availability.

Roads and Highways

6.6 In keeping with the overall policy on transport in Somalia which prevailed throughout the 1980s, the roads transport subsector policies should aim to:

- delay new road construction;
- avoid costly reconstruction of the paved road network through spot improvement and improved maintenance, if possible; and
- achieve more efficient use of road vehicles by means of improved maintenance and higher load factors through greater private sector involvement.

6.7 The country's road network includes 2,559 kilometers of primary roads which are interregional in character and serve major population centers, 4,850 kilometers of secondary roads connecting settlements of local significance to each other and to the primary road network and rural feeder roads which are low-volume earth roads for which no reliable inventory exists. In 1990, more less than 13 percent of the road network was paved with the majority of remaining roads built to earth standards (83.5 percent). The extent of the primary and secondary road network was judged to be adequate in 1990. However, despite considerable road upgrading prior to 1990, the standards and conditions of were not satisfactory. Paved roads constructed on the predominantly good well-drained soils of central and northern Somalia tend to remain in satisfactory condition, whereas those lying in the valleys of the Juba and Shebelle Rivers where soil conditions are difficult are generally in poor condition.

6.8 The north-south link between Mogadishu and Berbera on the Gulf of Aden via Beletweine, Galkayo, Garoe, and Burao (about 1400 kilometers) forms the backbone of the country's road system. The other most important roads are the coastal road from Mogadishu to Kismayo (about 475 kilometers), the road from Mogadishu to Dolo on the Ethiopian border, via Afgoi and Baidoa (about 600 kilometers), and the relatively newly built road from Garoe to Bossaso (about 500 kilometers) on the coast of the Gulf. UNTAF is reported to have rehabilitated as much as 2,000 kilometers of roads, including regional roads between Mogadishu, Kismayo, Bardera, Wajit, Baidoa, Oddur, Baledogle, Beletweine, and Gialalassi for two lane all-weather heavy truck traffic. In some cases, bridges destroyed by the war have been temporarily replaced with Bailey bridges provided by the military forces. The durability of the rehabilitation has not been assessed. None of the roads in the north have seen any improvement. Rehabilitation of roads linking the north and south should be left to the longer-term when traffic levels justify an adequate economic return.

- Road rehabilitation should focus on the roads linking major agricultural areas to market centers in the early part of the reconstruction program; the reconstruction of bridges across the Juba and Shebelli rivers should also be a priority.

6.9 Road maintenance. Since the outbreak of hostilities and the complete collapse and destruction of the Directorate of Highways, the maintenance has come to a complete halt and road conditions have deteriorated further.

- When routine road maintenance is reestablished, it should be managed at the regional level.

Arrangements should be devised whereby contiguous regions can share road maintenance facilities and equipment, along the lines of the proposed Highway Maintenance Areas which were to have been developed with IDA assistance under an infrastructure rehabilitation project which was never approved in 1990 owing to country conditions at the time.

6.10 Two years prior to the civil war, the now defunct Directorate of Highways established a Road Maintenance Fund generated by an ear-marked tax levied on the sale of fuel, all of which was imported. The potential revenue to be generated through the road maintenance element of fuel tax was estimated to be considerably in excess of what was being raised through other road user charges, (vehicle registration, licensing, and inspections) and, as such, represented an indispensable source of funds for maintaining Somalia's fundamental transportation system.

- A central Road Maintenance Fund should be reestablished and generated from an ear-marked ad valorem tax on the importation of fuel.
(See *Oil/Petroleum Products*, below.)

6.11 Institutional arrangements. The execution of the priority road reconstruction must necessarily rely on private contractors engaged by donors in consultation with subnational political units. During the physical reconstruction stage, donor support will also be required to regenerate the institutional capacity at the regional and district level within an overall road transport management framework with a prominent role for the private sector.

- In the long-term, there is a need for a minimal central government organ to oversee issues of regulation, pricing of road user charges, road safety, and allocation of road fund revenues to the regions.

6.12 **Road transport.** Before the civil war, road freight transport was dominated by the private sector which handled over 80 percent of the demand for internal movement of goods. The balance of the demand was met by the parastatal National Transport Agency, which, now defunct, should not be resurrected. Passenger transport was provided only by the private sector and should remain so in the future.

Ports

6.13 Somalia, with the second longest coastline in Africa, has three main sea ports, each of which has sheltered deepwater facilities providing a combined total of fourteen berths. All ports rely on ships' gear for general cargo loading and unloading. Mogadishu handled most of the export/import traffic, while Berbera and Kismayo handled the export of livestock and bananas, respectively. In 1987, a third medium sized port was developed (without equipment) in Bosaso. Finally, there are two small ports at Merca and Brava, which are essentially beach landings about which nothing need be done for the foreseeable future.

6.14 **Mogadishu Port facilities.** Mogadishu Port is currently operated by the WFP with assistance from a foreign consultant. In the absence of a Port Authority, UNCTAD has taken on the responsibility for developing port policy and providing technical assistance to ensure the facilitate the early recreation of a port authority or authorities. (Needs updating).

6.15 **Other port facilities.** The ports at Kismayo, Bosaso, and Berbera currently confront the same problems: the marine structures, quays, and breakwaters are in place and require some repair and maintenance to varying degrees. However, pavements, bollards and fenders, transit sheds, buildings, equipment and workshops, tugs, navigational aids, water and power supplies, and oil installations which existed before the civil war in Kismayo and Berbera have all been damaged or destroyed and require extensive repairs, replacement or refurbishment, or maintenance. Bosaso, never having been fitted with port accessories, remains in relatively good shape, with the exception of navigational aids which are missing, and the administration, building which was destroyed. UNCTAD has identified the priority physical rehabilitation needs for all three ports. Aside from the rehabilitation of buildings, UNCTAD proposes the acquisition of cranes, forklift trucks, tractors, trailers, communications equipment, and workshop tools and spare parts. Strengthening the security systems in all the ports is also required to ensure, *inter alia*, that port revenue (vessel and cargo related dues and charges) were accounted for properly.

6.16 **Port operations.** Prior to the civil war, there existed a Somali Ports Authority which, in effect, operated as a stevedoring company, providing services to ensure the loading and unloading of ships. UNCTAD has taken on the role of the Mogadishu Port Authority while WFP functions as the port operator on an interim basis, pending the reestablishment of an indigenous management arrangement. Technical assistance is being provided by a large European port operator. In 1993, the operation of the port of Berbera was contracted out to an international firm on a revenue earning basis. This operation should serve as a model of future policy and needs to be monitored closely. Where possible, the refurbishment of ports

with equipment and the like should be negotiated as part of the service contracts with the private sector. Alternatively, some form of build-operate-transfer (BOT) arrangement could be examined, where "B" means "rebuild."

- It is recommended that rather than recreating a centralized port authority for the country, consideration should be given to having each port owned by the city or region it serves. Each port would then be an asset and accountable to the community.

6.17 **Port traffic and revenues.** Berbera, being the primary port for the northwest region of Somalia, has always been the major exporter of livestock to the Arabian Peninsula. Before the war, almost the entire export of sheep and goats and 90 percent of the camel export passed through the port. Despite the reduced scale of operations at the port, over one million head reportedly exported in the twelve months ending September 1993.

- The rehabilitation of the port of Berbera is a priority task essential to the success of goal of reestablishing Somalia's capacity to generate foreign currency revenue through the export of livestock.

6.18 The rehabilitation of Kismayo port, currently managed by Belgian naval officers, will be a priority task associated with the resumption of the export of bananas, Somalia's second largest export.

6.19 The port of Bosaso is flourishing. There is daily truck traffic carrying imported commodities inland. Livestock exports are rebounding and a major problem is the port's capacity to handle the traffic wanting to pass through it. Bosaso is currently the only freely functioning port in the country with revenue essentially running the regional government.

6.20 **Civil aviation.** Somalia has fifteen airfields of which five are capable of functioning as international airports, two in Mogadishu and one each in Kismayo, Berbera, and Hargeisa. The current status of Mogadishu's second airport and that of Kismayo is unknown. In 1993, the International Civil Aviation Organization (ICAO) began the provision of technical assistance and training to Somalis at Mogadishu in air traffic control, fire service, and air information. The current status of Mogadishu as a war zone prevents foreign carriers from overflying Somali territory. This fact, combined with the absence of a recognized central government, militates against the International Air Transport Association (IATA) collecting the associated overflight fees. Such fees as are being collected are being put in escrow against the day that the proper benefactor can be identified. The airport at Hargeisa is subject to continuing extortionate demands by the controlling sub-clan and therefore is currently used only minimally by agencies for imports.

- A priority activity in the civil aviation subsector, aside from improving safe operations, is the resumption of management of the air space as a means of generating revenue in foreign currency; in the short term, consideration should be given to relocating the air space management function off-shore

C. Water Supply and Sanitation

6.21 Prior to the outbreak of the civil war at the end of 1990, all formal water-related institutions in Somalia were in an advanced state of deterioration and the piped water supply in Mogadishu, Kismayo, and Hargeisa urban areas was less than half of what was demanded. The central Water Development Agency (WDA) was responsible for promoting the development of rural water supply. With the exception of key core technical staff, who ran the physical facilities, very few other employees engaged in any real work. Billings and collection of water tariffs was far below standard, with consequent financial distress. Remuneration of the staff was as low as the morale, employees' (and managers') attendance was nominal. With the onset of the civil war and the breakdown of security, the Mogadishu water supply was subject to looting and destruction, now partially repaired with donor assistance. The Kismayo water supply system, originally constructed to supply the port, had long been in disrepair. Many of the wells in the rural areas and in the smaller urban centers had been rendered inoperative by the retreating Barre forces. As a result, water remains one of the most pressing human needs; it is a rare and expensive commodity that is being sold in many places. Water sources are almost entirely clan controlled and are therefore prone to vandalism and looting when clan conflicts occur. Where security permits, first priority should be given to the rehabilitation of drinking water supply systems to deal with the increased cases of diarrhea, typhoid, and tetanus. Second priority should be given to the rehabilitation of sources for livestock and agriculture with due attention to be given to the potential environmental consequences such as pasture degradation through overgrazing.

6.22 **Organization of the water supply sector.** A legal framework and chain of command for the water supply sector needs to be established within an appropriate regulatory framework. The three urban water agencies should be restructured on the basis of clear, simple organizational principles. Staff should be kept to the minimum and reasonably well salaried ^{3/}. Although formal privatization in the water utilities does not appear viable at this time, the agencies should be autonomous to the maximum degree possible: (personnel policy, financial, and technical matters should be decided at the agency(ies) management level, with overall policy guidelines, specifically regarding water resources management, new investments, and pricing policy (but not price setting). Consideration should be given to either a management contract or a twinning arrangement, with independent foreign management firms/water utilities; which would assist the establishing of the new organization, and train counterparts—say for a three year period (at least for MOGWATER).

6.23 The role of WDA should be revisited. Some of the rural (mostly borehole based water points) schemes need to be rehabilitated and operated, traditionally the role of WDA and often poorly carried out. However, it is expected that local communities will also have difficulty, in the medium term of ensuring adequate fuel supply, maintenance, and operation of engine driven installations. Consideration should be given to decentralizing the provision of rural water supply to the regional or even district level, involving the private sector in the construction and operation of boreholes on a cost recovery basis.

^{3/} This issue is directly connected to the reputation of civil service.

6.24 Community involvement, specifically in the rural areas, should be pursued, with the assistance of NGOs and bilateral donors. However, a coordinating advisory panel, specifically regarding technical (and financial) approach, should be set up. This forum could also assess and monitor the experiences of community involvement.

6.25 **Financing the water supply sector.** The assessment of the agency(ies) assets and liabilities should be a part of the reorganization exercise. It may be done by the institutions themselves, but the services of independent engineering/financial management consultants could lead to better (and even quicker) results. The liabilities should also include the agency(ies) prior and inherited loan servicing obligations as well as the damaged/lost physical assets.

6.26 On the principle of "independent and autonomous agency(ies)," the water supply services should not be free, and charges should be set to allow full cost recovery (plus buildup of at least some modest reserves for future expansion). However, Water tariffs set for full cost recovery are unlikely to be affordable by a very large part of Somalia's population. Therefore, in the medium-term, revenues from water tariffs should just be sufficient to cover:

- operational and maintenance cost, and
- repayment of loan obligations.

6.27 Tariffs, regardless of the bases on which they are established, should be annually adjusted in line with either general inflation, or more properly, on the basis of future projections of the agencies' financial requirements. To cover rehabilitation (an expansion) cost, grant aid should be sought, which would not be onlent, but passed on as grant to the agency(ies). It is unlikely that reserves could be generated for some time to come. In the context of the overall macroeconomic situation, subsidies for water supply services should not be entirely left out of consideration. However, it should be provided on a diminishing basis. Another way of subsidization could, of course, be providing tax exemptions to this agency(ies), including fuel, chemicals, and other materials for operational purposes.

6.28 A tariff is only as good as its billing and collection service. Individual metering is the ideal as it encourages conservation. However, in Mogadishu, due to the chemical characteristics of the water, material deposits (calcification) at the meters (where pressure drop is significant) render them useless in 6-12 months. By 1990, Mogadishu's metering was already in shambles—at least 80 percent of the meters did not work or were unreliable. As flat rate charging does not encourage water conservation, an alternative method of charging for water in Mogadishu needs to be established, based on size of the plot, number of rooms, and number of stories of the building. A consumer registration drive needs to be carried out as a priority.

D. Shelter and Urban Services

6.29 Somalia's urban population has been the most affected by the military conflict since the various militia concentrated their energies upon controlling the urban centers. In many cases, towns were completely deserted while battle fronts moved through the regions.

However, once urban areas are secured and the military fronts moves elsewhere, populations usually return. This has been the case with most towns but the rate of return may be delayed by the extent to which towns were destroyed or how people perceive subsequent security conditions. Bullo-Burti and Dusa-Mareb have seen almost all their populations return. By August of 1992, Baidoa had little left in the town to attract people back but had been occupied by displacees from elsewhere.

6.30 Mogadishu (to be inserted).

6.31 The total destruction of Hargeisa (current population 100,000) by Barre forces in 1988 resulted in the exodus of its residents as well as the population of other regional towns to camps across the border in Ethiopia. The residual Ethiopian population still in the northwest at the time also joined the exodus across the border. Hargeisa began to be repopulated in 1992, especially as the de-mining operation made the town increasingly safe for rehabilitation. The town is now very much in the process of rebuilding. The market is active and most consumer goods are reappearing, albeit for a price. Trade is mostly via Djibouti and merchants appear to be able to move their goods to Hargeisa without much difficulty.

6.32 Berbera was spared any major destruction during the war and has essentially resumed its pre-war population of 35,000. The market economy is active and expanding. Berbera contains several displaced persons camps wherein reside a large number of stranded, destitute war-widows of the former Barre forces.

6.33 Burao (pop 17,000) is described as being the most "normal" of the three major northern towns. Its market is active and the business community is well organized and active in the town's administration. Two electricity companies are competing to re-electrify the center of the town. Water supply was identified as the principal need of the town. Overcrowding of existing shelter was observed as in Hargeisa and Berbera. Aside from those forced to live in makeshift shelters, there is a chronic problem of occupation by squatters of government and public buildings such as former schools, offices, and banks. These structures are now needed as schools begin to re-open and administrations begin to reestablish themselves.

- There is an urgent need to strengthen the capacities of the local police forces in Berbera, Hargeisa, and Burao.
- Policies and programs for assisting displaced and other impoverished urban dwellers with shelter materials need to be developed throughout the urban centers.
- Relocation of squatters from government buildings must be to locations within the town since most have at least some fingerhold on economic activity which must not be disrupted.

6.34 Income generating opportunities are still very limited in all urban areas, consisting of primarily informal sector activities. Women appear to dominate this sector, having become the major bread-winners on most families.

- In all urban areas there is an urgent need for programming for small scale income generation whereby alliances are formed between NGOs and local business communities. (See *Productive Sectors*, below.)

6.35 Bosaso faces problems of overcrowding and lack of income-generating opportunities for the displaced. The problem is being exacerbated by newly arriving migrants drawn by the perceived prosperity of the town. The ratio of displaced to local residents is as high as 4:1. Some displaced may choose to return to their areas of origin but many will not. In many urban areas, there will be a tremendous need for the construction of permanent shelter of the next few years.

- An innovative shelter program is needed which will require the local authorities to devise a mechanism to gain access to marked land inside and at the periphery of the urban areas. Development assistance could be tied to the authorities taking appropriate steps to make land available for the displaced.
- Donors must critically review all requests for assistance from local authorities to simply relocate displacees out of the town.
- The onus for reconstruction of dwellings must be placed on the inhabitants themselves, supported by public programs producing access to credit, technical assistance, and materials.

E. Oil/Petroleum Products

6.36 **Exploration/production.** There is no production of either oil or gas in Somalia. Prior to the civil war however, there was an active exploration program underway, and there are strong rumors that Conoco has made an inland discovery in the Garoe/Las Anod area.

6.37 Following cessation of civil unrest, a governmental attestation should be made to the effect that the existing petroleum law will continue to be respected, and that all exploration contracts which were in existence at the fall of the Barre government, will continue in force. With this assurance, the oil companies will return almost overnight, to continue their exploration. Nothing more needs to be done.

6.38 The technical data, including most of the existing contracts, is physically located with a consultant in Denver, USA. Once payment of unmet fee claims is made, these data, and the consultants themselves, may be accessed as a *de facto* Ministry of Petroleum until such time as a formal ministry is organized.

6.39 **Refinery.** The Iraqsoma refinery is small, ill equipped to meet the country's product needs, inefficient with poor yields, poor operating practices, and major portions of the heavy product output must be re-exported for sale elsewhere at distress prices. There is no reason therefore:

- to rehabilitate the existing refinery,
- upgrade or enlarge it, or
- restart it.

6.40 It is instead, far more economic to rehabilitate and upgrade the associated product tank storage portion of the refinery. This may then serve as a receiving and storage area for petroleum products purchased externally, and shipped into Somalia in bulk for inland distribution. The refinery itself should be scrapped.

Product Supply and Distribution

6.41 **Supply.** It is significantly cheaper to purchase the required range and volumes of petroleum products from the large regional refineries in Saudi Arabia, the Gulf, or elsewhere, than it is to purchase crude oil and refine it into its product state in Somalia. In the event that oil producing donor nations wish to provide crude oil to Somalia, it is proposed that tanker loads of product would be a more suitable alternative. Heretofore, Somalia has made its foreign purchases exclusively through a single broker (SOMPET), which is demonstrably above world price levels. The former government had taken steps to liberalize regulations governing the importation of fuel, however, the parastatal was still the sole importer in 1991.

- Importation of petroleum products should be opened up to the private sector.

Assistance to the private sector can usefully be supplied in the form of mechanisms for periodic tendering for purchases of required products in tanker-load lots, with purchases paid in advance through the provision of revolving letters of credit, in order to realize maximum price efficiencies.

6.42 **Storage/loading facilities.** The storage facilities at Mogadishu, the Iraqsoma refinery, Kismayo, and Berbera were generally adequate for pre-war demand levels. They therefore should need no more than an inspection, rehabilitation, and general maintenance to be undertaken in order to bring them back into operation. The exception is the general lack of bulk storage for LPG (butane/propane) anywhere in the country. As a result, such facilities need to be installed in each of the three ports for use, particularly in the urban areas, as a replacement for wood products as domestic fuel. Unlike the storage facilities, the product unloading arrangements in each of the four named areas are unsatisfactory and need to be redesigned and built as new construction, independent of what was in place before the war.

6.43 **Inland distribution.** This has universally been undertaken by road through the use of tanker trucks and flat bed loads of product drums. To the extent that the roads and rolling stock are capable of handling liquid freight, no special rehabilitation is required. Should not enough trucks be available, it is highly likely that commercial trucks and drivers from Kenya and Ethiopia will avail themselves to the opportunity for haulage if the road tariff structure is appropriate. For retail distribution, most of the stations, although badly damaged, can rapidly be rehabilitated through the use of local cooperatives, rather than resurrecting the state owned marketing firm ISKLASH, or the National Petroleum Agency (NPA).

Summary (in order of sequence of required steps)

- With the technical assistance of the donor community, form a Ministry of Energy (there have been no antecedents in pre-war Somalia) to deal with petroleum policy; pricing and taxation; and regulatory compliance.
- Engage the capabilities of the international oil industry to undertake/supervise the construction of unloading facilities; repair and upgrading of product storage tanks, including the addition of LPG tanks; and through the local cooperatives, the rehabilitation of the existing retail outlets throughout the country.
- Establish pricing policy based on international product prices CIF at the four Somali loading ports, with appropriate taxation and road haulage tariff levels.
- Provide the enabling regulations to permit the private sector oil companies to purchase from refineries within the region, transport, unload, and sell the required product slate within Somalia.

Funding requirements are low:

- The required port and storage facilities may be funded through the international agencies, with the companies paying for their use on a unit throughput basis, or the companies may construct the facilities themselves, with the incremental unit costs being included as part of the product pricing structure.
- The provision of revolving letter of credit facilities may significantly reduce the finance costs of bulk product purchases, depending on what arrangements are made with the private oil companies. Should such credit facilities be required, these could usefully be supplied by interested individual donor agencies.

Technology transfer: None is required:

- The thrust of Somalia's requirements are in the areas of petroleum policy making and policy implementation. This is people intensive, rather than capital intensive work.
- It is possible to start on the required policy and implementation work prior to the cessation of hostilities. If the required policies are in place, implementation can start as soon as the fighting stops.

F. Power and Electricity

6.44 **Overview.** The electricity subsector and the supporting Power Rehabilitation and Energy project (US\$94 million) financed by IDA, ADB, EIB and Italy, had become an exemplary success by 1990. ENEE's generation capacity to supply Mogadishu had improved six-fold (from 7 MW at appraisal in 1987 to more than 45 MW by late 1990), electricity receivables were almost non-existent, tariffs approximated long-run marginal cost of electricity, competitive salaries and wages were being paid, and technology and administration transfer was being provided through an IDA-financed management contract which was being performed by a European consultancy consortium. Investments in the sector had amassed to about US\$400 million. The rehabilitation project *concentrated* on Mogadishu, but in 1990 preparation was well in hand for an infrastructure project which was planned to include the provision of electricity to several towns in the vicinity of Mogadishu. The projects did not accommodate the needs for electricity elsewhere in Somalia.

6.45 None of the 45 MW of steam and diesel generating plant mentioned above now exists, nor does the 20 MW of new diesel generators, which were supplied under the rehabilitation project, and which were being readied for start-up when hostilities broke out. The plant has been removed from the country and only the concrete plinths (they may be re-useable) remain. Buildings, plant and auxiliaries have been destroyed, demolished, and/or "exported." The same applies to the transmission and distribution systems. Nothing remains of these except for some locally fabricated, heavy steel reinforced concrete transmission line poles. Service cables to domestic and commercial premises and meters have also been exported. Overhead lines have been removed and underground cables excavated and "exported."

6.46 Reports indicate that the situation is a little better in the north, where, at Bosaso, Borama, and Berbera, some electricity is being generated, but generally into transmission and distribution systems which have been badly damaged and are only fractions of those which existed before the war.

6.47 **Economic impacts.** The major impact being caused by the total destruction of the electricity system must be the inadequacy of water supply, because certainly for the Mogadishu area, most potable water has to be pumped. Other impacts include lack of refrigeration for medical, commercial, and domestic purposes, electricity for hospital work, and especially for security lighting and communications. Any commercial operations which are being undertaken will be utilizing captive generation with its usual inefficiencies brought about by small size and poor maintenance.

Power Sector Rehabilitation/Reconstruction Priorities

6.48 The electricity bottleneck contributing to the problems described above could be addressed with a few hundred kilowatts of generation (wind power and solar power would need to be considered for outside of the main urban areas, but would need to be of already well-proven designs). However, the major constraint to the reconstitution of the industrial and commercial sectors caused by lack of electricity will need 10 or 20 MW of diesel generation, and the replacement, initially of tens of kilometers of transmission and distribution reticulation. Reconstruction of the generation, transmission, and distribution systems to the

status of late 1990 is likely to take 3–4 years and in the Mogadishu area alone is likely to need an investment in ballpark figures of \$250 million. The program of reconstruction will need to address the shortcomings of the whole of Somalia. Because the locations needing supply are so diversified geographically, separate isolated schemes will need to be designed for each town. Investments in the Kismayo area will probably be in the region of \$50 million, and in the north—Hargeisa, Berbera, Bosaso, Garoe—\$100 million.

6.49 **Planners of the electrification schemes** will need to analyze and advise on the practical issues associated with Somalia's resources. With the chance to design systems from scratch, the most basic of questions should be addressed for the electricity supply systems—what electrical generation frequency should the new Somalia adopt? Planners will also need to decide on the location of power stations, the voltage of new transmission and distribution reticulation schemes, consumer service facilities including the types of meters to be used, their location, and the method of payment (post-payment, pre-payment, credit-card payment, control-card payment). The affordability and economics of electricity supplies will need to be evaluated for the various towns taking into account the size of the cash-generating population and the transient and refugee population.

6.50 **Indigenous resources—short term development—biomass, wind and solar.** Biomass was (and must be to an even greater extent since the war) the major utilized energy resource in Somalia. In 1986, Somali households consumed about 1,300,000 tons of oil equivalent of wood, mainly for cooking purposes. It was transported to the urban centers, especially Mogadishu, from two or three hundred kilometers away at great economic cost. In Somalia, both wind and solar energy have been shown to have economic potential for meeting pumping and some electrical generation requirements (e.g. village refrigeration of medicines), because they can compete well with the main source of electrical energy—imported petroleum products and imported crude oil, which in the past Somalia has had to resort to. A wind power test station at Gezira a few kilometers south of Mogadishu produced excellent results, generating electricity at an annual plant factor as high as any such installation elsewhere in the world. Simple solar cooking ovens would work well in Somalia for most of the year.

6.51 **Indigenous resources—longer term development—hydropower and hydrocarbons.** There are some hydropower sites on the Juba river—the Bardere site of 100 MW potential capacity has been long-studied, would be expensive to develop and would have a construction period of at least seven years. A small (4.8MW, 10GWh per year) hydropower station existed before the war at Fanoole on the Juba river—it has a minimal firm energy capacity.

6.52 **Reconstruction and operations of the sectors.** Several of the senior staff of the sector are already making efforts to run piece-meal electricity supply operations in Mogadishu and some of the other towns. However, the reconstruction of the infrastructures would be outside the scope of even the 1990 utility staffing resources. Most of the reconstruction will need to be performed through supply and erect contracts, which should include two or three year operation and maintenance options.

6.53 Some of the staff mentioned above are the managers and senior staff of the various utilities, and it is likely that they could, in several towns, if supported by technical assistance, set up organizations to operate the facilities, when they have been built. This

exercise could embrace a municipality approach, whereby the system, as-and-when-built, is handed over to the township, for it to finance and operate on a self-financing basis, as is already occurring in the northern town of Bosaso. Such an operation would include the reemployment of ENEE's staff by the municipalities, with central administrative support for specialist services and spares. Each municipality would be responsible for revenue collection and the financing of operating costs, including staff remunerations, and fuel and consumables procurement. Under this arrangement, central administrative support would be procured by the municipality from the center on a cost-plus basis.

G. Telecommunications

6.54 Most of the telecommunications facilities in Somalia have been destroyed during the war. Even before the war, the quantity and quality of telecommunications services were unsatisfactory due to a number of reasons, including weak institutional arrangements, lack of trained manpower, and lack of financial resources. The large size and complexity of reconstructing the telecommunications facilities is too big to be left to the same institutional arrangements that prevailed during the war. New arrangements have to be put in place to plan and supervise the creation of an appropriate institutional framework and the choice of a suitable technology. It is proposed that the actual reconstruction should be left to the private sector. A telecommunications body should be set up within the government to define the policy and regulatory framework under which the private sector would provide service and to create the necessary enabling environment for the private sector. A number of technological options are available to provide service on a short- and long-term basis. In the short run, a mix of satellites for the long distance/international facilities and cellular technology for the local network seems to be the most plausible. With these technologies, service could be restored within two years if the necessary government administrative mechanisms are in place.

6.55 **Background.** Postal and telecommunications facilities in Somalia were provided by the Ministry of Posts and Telecommunications (MPT) before the civil war. Even at the best of times before the war, posts and telecommunications services in Somalia were among the worst in the world in both quantity and quality. With about 21,000 connected lines the telephone density was estimated at 0.3 telephones lines per 100 population which was below the poor sub-Saharan average of 0.4 lines per 100 lines. Besides the low penetration, the quality of service was poor. On the average more than 30 percent of the lines were actually out of order at any one given time and faults took several days to clear. Call completion rates were estimated at less than 10 percent for local, 5 percent for domestic long distance, and 2 percent for international. About 71 percent (15,000 lines) of the total network was installed in Mogadishu. A new 15,000 line digital exchange had just been installed in Mogadishu before the war to work side by side with an old and obsolete electro-mechanical exchange which had substantially contributed to the poor quality of service. Electro-mechanical switches also existed in Kismayo, Hargeisa, Jawher, and Marqa. There was hardly any telephone service outside these urban centers. These centers were linked by a microwave radio network. A satellite earth station installed in Mogadishu, equipped with 36 channels and one receive only TV channel, provided international telecommunications services. Other telecommunications facilities existing in Somalia before the war included a 2000 line telex exchange installed in Mogadishu.

6.56 It is therefore evident from the above that even before the war telecommunications services were almost nonexistent. There were a number of constraints which precipitated the above poor status, constraints which should be addressed in order to realize sustainable reconstruction of the sector. The sector constraints, which have been worsened by the war, include, *inter alia* a) lack of a policy and legal framework which would have defined the objectives of the sector and lay out a strategy for its long term development including commercialization and private sector participation; b) lack of financial resources (local and foreign) which limited Somalia's ability to procure essential equipment for maintenance and expansion; and c) lack of management capacity and trained manpower at sector and entity level to: a) define the policy and legal framework of telecommunications services in the country and b) to operate and maintain the existing facilities efficiently and to plan and implement development programs.

6.57 Currently, there are no public postal and telecommunications services in Somalia. All telecommunications services are through hand held mobile telephones operated by UN personnel and NGOs. Some local businessmen have set up their own private satellite based networks which are made available to the public at exorbitant prices. The public employs these facilities only in matters of life and death. Postal services are through private arrangements with travellers to Kenya and the United Arab Emirates (UAE). Some arrangements exist between Somali businessmen and Kenya/UAE businessmen who operate semi-commercial flights.

6.58 Availability of basic postal and telecommunications facilities will be pivotal to the efficient planning and implementation of an economic and social recovery program; particularly, it will be difficult for any government to conduct business without these facilities and therefore their restoration should feature as one of the major priorities of the reconstruction program. Similarly, the resumption of trade and business within and outside Somalia will require basic telephone services as a minimum. Even before the war, only a small percentage of the demand was actually met and therefore the short term objective should be to meet very basic needs for telephone, fax and data communications.

6.59 **Facilities to be provided.** Recent reports from Somalia indicate that all telecommunications facilities were completely destroyed by the war. As a minimum, in the short run (1-3 years), the quantity of telecommunications facilities should be restored to the level they were before the war. Since this would be achieved using new modern equipment, the quality would improve substantially over that prevailing before the war. The restoration of these facilities will involve the supply and installation of the entire network including: subscriber plant, switching, domestic long distance, and international facilities. This will involve the installation of telephones, fax machines, teleprinters, cables, exchanges equipment for domestic and international services, terrestrial microwave radio, optical fiber cables and satellite earth stations.

Strategy for Sector Reconstruction and Development

6.60 **Institutional arrangements.** Investment requirements for reconstructing and developing adequate telecommunications facilities are large. It is unlikely that the government can secure sufficient funding from multilateral/bilateral sources to finance these investments. In addition, given the sector constraints mentioned above, it would be unwise to leave the

development of the sector to the same institutional arrangements as were prevailing before the war. The short and long term solution to the telecommunications problems in Somalia lies in the private sector. We have heard that recently some Somali entrepreneurs have formed joint ventures with overseas partners to cash in on the present acute shortage of telecommunications facilities. This is a welcome development but there is a need for the Government to put order into this and draw out a short and long term development strategy for the sector. The planning for the reconstruction and development of the postal and telecommunications services in Somalia could be structured along the following lines: a) formulation of policy; b) establishment of a legal framework; c) establishment of a regulatory body; d) reconstituting the MPT, separating whatever is left of the postal and telecommunications assets and establishing two commercial entities for postal and telecommunications services; and e) privatizing the telecommunications entity.

6.61 **Policy formulation.** The formulation process includes clear definition of: problems, issues, objectives and targets to be achieved, policy instruments to be pursued, legal instruments available, monitoring mechanisms for implementing such policies, and implementation timetable. The policy objectives would ensure that services are efficiently provided at reasonable price, existing MPT monopoly is abolished, resources available for the sector are maximized through private sector participation, competition is introduced, and operators are controlled and interests of consumers are protected through appropriate regulatory mechanisms.

6.62 **Legal framework.** This will translate the policy framework into appropriate laws to guide the operation and development of the sector.

6.63 **Regulatory framework.** This would define the framework of a regulatory capability which would administer the chosen policies including oversight of operators and giving assistance to the Government in the further development of sector policies.

6.64 **Reorganization and commercialization of posts and telecommunications.** In order to prepare for commercialization and privatization it will be necessary to separate postal from telecommunications operations, establish two commercial entities and then privatize the telecommunications entity. The privatized telecommunications entity would then be just one of the operators.

6.65 **Technology.** There are several technical options that could be used to provide telecommunications services on a short and long term basis. The most important criterion is that any solution that may be adopted in the short term must be consistent with the long term strategy. Since time will be the most critical factor in the short run, it is important to select technologies that could be supplied and installed in the shortest time frame. A typical telecommunications network consists of three main components: local plant; switching and transmission equipment. For each component there are several technical options that could be adopted to provide service. The conventional method of providing local network in urban areas is by using buried copper cable. Although still the least expensive in the long term, the installation of copper cable takes considerable time and would even take longer in an environment where the urban authorities are nonexistent and every utility is trying to put its facilities in the ground. The quickest way to provide this service is to employ wireless technology. Cellular radio would be ideal for this. Although this technology is more

expensive compared to conventional copper wires, prices are coming down rapidly. The long term design of the local network will be a hybrid of fiber optic transmission and copper wires. For the transmission network there are three different technologies that could be employed include: optical fiber transmission; terrestrial microwave radio; and satellite communications. While installation of terrestrial microwave radio and optical fiber cables is the long term solution for the inter-urban long distance network, in the short run a satellite based technology could provide the optimum solution. For the international network the satellite solution has always been the most economic one.

6.66 The recommended network configuration would therefore be a cellular based local network working into a satellite earth station providing domestic and international connections. The earth station at Mogadishu would be a large (say Standard A earth station) for domestic and international applications while in the other main towns smaller earth stations would be used.

6.67 **Implementation.** Given the sector constraints mentioned above, there is neither the organization nor the manpower capacity in Somalia to think through and implement the above strategy. First and foremost will be to establish a telecommunications body within the government to plan and supervise the reform process. This body will be responsible for preparing the policy and regulatory framework and arranging for the necessary legislation for liberalization of the sector. The body will also have a regulatory capacity for frequency management and resolution of conflicts that are likely to arise at the early stages of liberalization. In addition, the body will be responsible for evaluating and separating whatever is left of the assets of posts and telecommunications facilities and establishing two entities for postal and telecommunications services. The body could then continue with the privatization of the telecommunications entity and commercialization and liberalization of some aspects of the postal services. Alternatively, once the telecommunications assets have been identified, they could be sold off to highest bidder. This would save the Government the trouble of setting up a telecommunications company in the interim.

VII. PRODUCTIVE SECTORS

A. Introduction

B. Agriculture

7.1 **Importance of agriculture.** In 1990, the agricultural sector accounted for about 65 percent of GDP and was growing at a rate of about 3.2 percent per annum. The growth in crop production was for the decade 1980 to 1990 very rapid at around 6 percent per annum due to a significant increase in the cultivation of grains and fruit, particularly bananas resulting from the decontrol of markets introduced by the previous government. The rapid growth in the crop sector led to a considerable increase in its importance compared to livestock which heretofore had dominated the economy. Together livestock and crop production made up about 90 percent of the value of production. Virtually all exports were derived from agriculture, the dominant ones being livestock products and bananas.

7.2 **Contribution of agriculture to social development and poverty reduction.** Most Somalis are nomadic or semi-nomadic and associated in some way to agricultural or pastoral pursuits. Given the importance of these activities they will remain the mainstay of the economy for many years. While irrigation is important to grain and fruit production in the Shebelli and Juba valleys, livestock production and large areas of grain crops are still dependent on the two annual rainfalls. The bi-annual rainfall pattern means that Somalia is not as vulnerable to drought as some other countries in the Horn. There is no question that the sector can, even with even moderately good rainfall, achieve a growth rate of about 4 percent per annum which is in excess of the estimated growth of the population.

7.3 **Major constraints to growth.** The major constraints to agricultural growth in the past were

- poorly sustained macroeconomic policy,
- low quality infrastructure (irrigation, roads),
- inadequate marketing arrangements (livestock export facilities and quarantine arrangements), and
- lack of sound technology and extension services.

Action on the first three are immediate priorities and the fourth should be a medium-term objective. Longer term objectives are again in the area of infrastructure, namely to upgrade and expand the existing facilities.

7.4 **Formal administrative framework and implementation.** Some of the actions envisaged will be implemented by the private sector so long as there is peace and security,

and the opportunity to import necessary inputs. However, there are a number of activities which will require the coordination of a formal administrative authority. The need for a formal administrative authority will be indicated below as the various priorities are discussed. In general, implementation and sustainability was a problem with many agricultural projects in the past and specific steps will need to be taken to address this issue.

7.5 Costs. The costs for the proposed activities is difficult to estimate before an inspection of the existing facilities. Once information is at hand the actual estimation of costs should not be onerous. Prior to action in any of the areas indicated, surveys will be necessary to establish the baseline situation.

Immediate Rehabilitation and Reconstruction Priorities for Agriculture

7.6 Improving the macroeconomic framework.

Activity: Provide a macroeconomic framework which will encourage investment and production for domestic and export markets.

Scope of Work: The immediate source of growth for agriculture is production to meet the domestic demand for food; the most important source of long term growth for the economy as a whole will be increased exports of livestock and bananas. To stimulate these exports there will, *inter alia*, need to be a reliable currency and exchange rate regime, stabilization of the economy, a banking system which will safeguard deposits and provide liquidity for livestock buyers, an arrangement for the conversion of export earnings into local currency, and in the longer term, a restructuring of the banking system. (See Chapter III - *Macroeconomic and Financial Situation*).

Implementation: The establishment of a new macroeconomic policy will require a formal administrative arrangement, however, improvement in banking services to facilitate trade is possible to some extent without a formal administration.

7.7 Infrastructure rehabilitation.

Activity # 1: Rehabilitate the irrigation systems.

Scope: Action is needed on two fronts:

- a) to rehabilitate the main barrages on the Shebelli river to control the flow and allocation of water.
- b) to rehabilitate irrigation canals and drains in the Lower Shebelli River Valley.

These works can proceed simultaneously. It is not clear how much work is needed on the main barrages on the Shebelli. Rehabilitation of these requires fairly sophisticated engineering and construction work. A mission will be required to investigate this matter. The rehabilitation of the irrigation canals are relatively simple works which can be executed with a minimum of design and mechanical equipment. The rehabilitation of the canal systems will generate some returns, even if the main barrages are not completely functional. The payoff

will be immediate in terms of increased food crop and fruit production, and employment. Already, some NGOs are working on the rehabilitation of small canals. Arrangements for the maintenance of the structures will need to put in place. Finally, if there is to be choice of which irrigation systems to rehabilitate first, then those serving predominantly food producers should be given preference. An association of water users would eventually have to be set up to control the allocation of water along the river.

Implementation: Producer organizations, community groups, and NGOs can probably be the core implementing groups for the rehabilitation of simple works, and no formal administrative framework is likely to be necessary. Community organizations will be required to allocate water along the canals. If the water allocation and rights become issues, then a formal arrangement for conflict resolution will be needed.

Activity # 2: The second priority in agriculture-related infrastructure is to repair the main road system, especially between Mogadishu and key towns in the Shebelli valley.

Scope: This will complement improvements to irrigation systems. Road rehabilitation is discussed in another section, but action in this area will be critical for reducing the marketing cost of agricultural produce, and making food production a viable activity. This is of special concern given competition from food aid made available directly in Mogadishu. While improvements to rural roads are also important, these activities will need to become medium-term priorities.

Implementation: Rehabilitation of roads is a costly and time consuming exercise, with requirements for intensive planning and technical evaluations. Perhaps road rehabilitation can be conducted in stages, where the conditions of the roads are improved gradually, evolving from a rough but level gravel surface to the paved surfaces of the pre-war period.

7.8 Marketing and trade.

Activity: Rehabilitation of livestock marketing and quarantine facilities, particularly in northern Somalia, are immediate priorities. Livestock exports should be kept in the private sector, with government entering only to regulate health conditions, and to facilitate export transactions.

Scope: There will be a need to urgently explore the prospects for the substantial and sustained entry of Somali livestock exports into the former traditional markets. In addition, steps should be taken to assist the private sector to rehabilitate marshalling yards, as well as animal feeding, watering, and handling facilities all through the marketing system, with priority at the export points (Berbera, Bosaso, and Mogadishu). Action will also be needed, along with the private sector, to rehabilitate the marketing infrastructure for the banana exports from Mogadishu and Kismayo. The repair of the physical infrastructure and communications facilities for all traders (telex and radio) should be improved. Arrangements should also be made to rehabilitate the facilities at the main ports for the import of goods. Finally, a way needs to be found to improve the availability of foreign exchange for the purchase by the private sector of medium size trucks and spare parts for the marketing of agricultural produce.

Implementation: Government should focus its efforts on the holding facilities at export points. Most of the livestock marketing facilities were publicly owned and managed. It should be possible to establish a community-managed institutional structure in which the traders and producers have an equal voice. If such a community structure could be established, then the management of a facility could be done by full time employee of the community structure.

7.9 Veterinary and agricultural services.

Activity: Provide access to veterinary drugs to the livestock industry.

Scope: Given the importance of livestock to the economy, the most immediate requirement for services is to rehabilitate a private sector veterinary service for producers and traders, and to facilitate the import by the private sector of acaricides, anthelmintics, and other animal husbandry related chemicals and veterinary drugs. The advice of prospective livestock importers should be sought on quarantine requirements. Second, the availability of seed for crop production, simple hand tools, and farm machinery should be improved, either through grants or sales.

Implementation: The distribution of drugs and seeds could be managed by NGOs or community groups. Cost recovery would need to be established, since, for areas which are remote from the distribution points, pastoralist and farmers would need to pay full price. There should be an immediate understanding that the private sector would ultimately need to be the distributors for veterinary drugs and in the medium-term licenses will need to be issued to authorized distributors.

Medium Term Priorities

7.10 Agricultural support services.

Activity # 1: Restore private markets in agricultural inputs (seeds, tractor services, implements, fertilizers).

Scope: Agriculture in the Shebelli Valley, the breadbasket of the country, had been fairly input intensive. Improved varieties of maize had been used, as well as rice and sesame. Vegetables and other high value crops were also grown. Tractor services and fertilizer were also used both by the smallholder and the plantation sector. Farmers are aware of the benefits of intensification. If a market for produce exists, then steps should be taken to assist the private sector to provide these services once again.

Implementation: Measures to ensure access to foreign exchange, improve the quality and reliability of the infrastructure, improve the operation of markets in agricultural produce, and reduce the risks associated with physical insecurity will have an effect on reestablishing markets in agricultural inputs.

Activity # 2: Reconstitute the extension and adaptive research service.

Scope: Restore the capacity of an extension and adaptive research service for agriculture to provide the basis for adequate professional advice to farmers. This will form a basis for long-

term growth in agriculture. This will involve attracting the former officials of the extension service back and establishing demonstration and research programs.

Implementation: Some form of administrative framework will be necessary to establish a public extension service. The first priority should be to explore the availability of qualified staff.

7.11 **Infrastructure reconstruction.**

Activity: Reconstruction of major irrigation systems.

Scope: The main objective should be to reconstruct the irrigation systems for which simple rehabilitation is not possible. This work is likely to include the reconstruction of barrages and major canals, and would focus on the large, plantation based farms producing bananas and other crops for export. A combination of government intervention on the common elements of the irrigation systems and private finance for on-farm rehabilitation could be used.

Implementation: As with extension, there will be a need for a formal administrative arrangement to design and construct public facilities such as irrigation works.

C. Employment Generation

7.12 Changes in postwar Somalia are likely to include: an accelerated move from nomadic pastoralism to agropastoralism and settled agriculture; from autoproduction to more involvement in the monetary economy; a growing need for non-farm rural activities in the informal sector; and an increase in multi-occupational urban sector activity. As more people will be forced out of a lifestyle in which they produced all or most of what they needed and consumed and into a context where increased procurement of goods from outside the family unit will become more common, the activity of marketing in a general sense will become more significant. Increased exchange of goods will imply increased marketing, demand for better marketing strategies, and the need for improved access to markets, good communications, and transport. There is also likely to be a decrease in the short term of remittances from abroad putting a new constraint on cash flow in the informal economy. In the recent past, the modern formal economy never employed many people in Somalia: at most 13 percent of whom 43 percent were in the private sector, mainly self-employed. The disproportionate public sector is unlikely to reemerge in post war Somalia, thus further reducing the prospects for formal sector employment in the near future. Almost 90 percent of the labor force worked in the traditional rural sector, nearly two thirds in the pastoral subsector and 22 percent in farming. While there are grounds for anticipating increased participation in monetary activities in the postwar era by large sections of the population, there is less justification for predicting the development or desirability of increased formal sector employment at least in the short term. These considerations reduce the need for formal sector training institutions in postwar Somalia.

- **Emphasis should be placed in future on productive sector training, not necessarily for formal sector employment but increasingly for**

productive informal sector employment, for small and medium enterprises and microbusiness.

7.13 Credit Schemes.

- Credit to groups and individuals for microbusiness.
- Credit to companies at intermediate level.
- Credit to training institutions.

Employment resource centers. These centers are needed to meet the urgent need for small scale urban and village based employment promotion. They should be small in scope and situated near the majority of workers at district level under the auspices of a private or community body, to be determined by the community. The centers should include the following components:

- skills training
- production units
- credit units to service the credit schemes
- planning units

7.14 Criteria for allocation of resources. As for the selection of loanees and trainees, criteria should be developed to target special social groups including:

- women
- the war wounded and disabled
- ex-militia (demobilized forces)
- youth (between ages 12-20 yrs)
- displaced people

7.15 Extension of indigenous employment creation structures. Entry into informal sector employment and agricultural activity usually takes place through apprenticeship. The system is in practice in Somalia and both small and large business and craftsmen have expressed willingness to take on more apprentices and trainees if offered an incentive such as access to credit or assistance in extending their business capacity or working space. Most master artisans and businesses had no problems with taking on an agreed quota of women apprentices.

7.16 Labor-intensive public works (to be elaborated).

D. Banking

7.17 There is a need to establish a banking function in Somalia during a transitional postwar period during which there is nonexistent or weak central political authority in the country. The establishment of a minimal banking service is crucial to support business activity, including the import/export trade and recent remittances from Somalis living abroad.

At present, there is no formal banking system in the country. However, a substantial number of informal financial services, mainly money changers and safe deposit houses, have developed to permit minimal business activity. Hundreds of shops deal in currency, setting daily exchange rates on the basis of localized contingent factors, including supply of foreign currencies brought in by international agencies and the growing scarcity of Somali shillings caused by wear and tear of old notes.

- In the absence of a central political and administrative authority and a central bank, any banking function would necessarily have to be launched by the private sector.
- The bank would be privately held, the majority of the shareholders being Somali investors with less than 50% ownership.
- Given that direct investment in Somalia by foreign banks is unlikely in the short- to medium-term, any new bank in Somalia would have to be capitalized from a combination of local and regional sources, perhaps with participation.
- In the first months, the head office would be offshore, followed by the opening of two branches serving the north and central-south (Mogadishu would not be a leading candidate to host a branch until such time as security is improved).
- Local leadership would have to be in support of a branch operation in their area and would guarantee its security and promote investors from the community.
- The bank's mandate would be to conduct a sound business operation for profit—receive deposits, advance money against securities, deal in foreign currencies, finance trade, and provide group lending to microenterprises.
- Management and staff are to be small in number; branches managed centrally at head office.
- Interest rates are to be established by a head office for off-shore operations and by branches in Somalia, the latter on a cost plus basis.
- Regulation of branches is to be provided by headquarters and monitored by a panel of legal experts and international banking specialists; panel will provide guidelines and stipulate requirements for liquidity and other parameters.
- The bank should be licensed under old Act.
- International auditors should be required to inspect operations.

- Security is to be provided by the bank's own police force.

E. Industry (to be inserted).

A. Immediate Assistance Requirements

2.1 Given the volatile nature of current events in Somalia and the resultant impediment to rehabilitation of social and economic structures, there will be a continuing need for relief assistance to vulnerable population groups in various locations throughout the country. By nature, such assistance is short-term and, where necessary, will continue to be provided within an emergency context in order to save lives and uphold regard to political objectives. Humanitarian assistance may also be required to provide relief throughout the transition from emergency conditions, where initial rehabilitation efforts are vulnerable and gains fragile. It is important that assistance provided during the transition period between relief and rehabilitation begin the process of developing local capacity. In this regard, UNOSOM must seriously consider providing members of the Somali police force the opportunity to participate in the provision of goods and services to the large UN and NGO community. There are many ways in which Somali entrepreneurs can cooperate in UNOSOM's procurement processes. These ways would contribute to an open market and encourage increased Somali participation in rebuilding their country and government confidence. Short-term priorities for assistance are as follows:

Military Security:

- Strengthen capacity of emergency urban police force in select areas (5.33)

Social Services:

- Provision of essential drugs and supplies (5.6)
- Use MCH facilities as multi-purpose clinics and training centers (5.7)
- Provision of basic education kits (5.11)
- Provide primary school kits (5.31)
- Reintegrated food aid to create incentive for more local food production (5.42)

Rehabilitation of Displaced Persons:

- Establish minimal levels of income generation for displaced at present locations (5.39)
- Provide realistic shelter programs for "visible" and "invisible" displaced people (5.43)
- Ensure greater coordination between agencies promoting return of displaced and reintegration programs (5.45)
- Reintegrate ex-combatants into mainstream society (5.51)

Physical Infrastructure:

- Inventory of physical facilities, their location and condition
- Shift air space management facilities offshore and reduce human generation (5.35)
- Relocate operations from government buildings within towns to free up usable space (5.33)

VIII. SUMMARY OF PRIORITY ACTIONS

A. Immediate Assistance Requirements

8.1 Given the volatile nature of current events in Somalia and the resultant impediment to rehabilitation of social and economic institutions, there will be a continuing need for relief assistance to vulnerable population groups in various locations throughout the country. By nature, such assistance is short-term and, where necessary, will continue to be provided within an emergency context in order to save lives and without regard to political objectives. Humanitarian assistance may also be required to provide relief throughout the transition from emergency conditions, where initial rehabilitation efforts are vulnerable and gains fragile. It is important that assistance provided during the transition period between relief and rehabilitation begin the process of developing local capacity. In this regard, UNOSOM must urgently consider providing members of the Somali private sector the opportunity to participate in the provision of goods and services to the large UN and NGO community. There are many ways in which Somali entrepreneurs can compete in UNOSOM's procurement processes. These steps would contribute to an open market and encourage increased Somali participation in rebuilding their country and investment confidence. Short-term priorities for assistance are as follows:

Maintain Security:

- Strengthen capacity of emergent urban police force in select towns (6.33)

Social Services:

- Provision of essential drugs and supplies (5.6)
- Use MCH facilities as multi-purpose clinics and training centers (5.7)
- Provision of basic education kits (5.31)
- Print primary school text books (5.31)
- Reduce/control food aid to create incentive for more local food production (5.42)

Resettlement of Displaced Persons:

- Establish minimal levels of income generation for displaced at present locations (5.39)
- Provide realistic shelter programs for "visible and "invisible" displaced people (5.43)
- Ensure greater coordination between agencies promoting return of displacees and reintegration programs (5.49)
- Reintegrate ex-militia into mainstream society (5.51)

Physical Infrastructure:

- Inventory of physical facilities, their location and condition
- Shift air space management function offshore and resume income generation (6.20)
- Relocate squatters from government buildings within towns to free up useable space (6.33)

- Develop techniques to use wind and solar power for household use (6.50)
- Safeguard urban water supplies

Productive Sectors:

- Provide access to veterinary drugs to the livestock industry (7.9)
- Rehabilitate irrigation systems (7.7)
- Rehabilitate livestock marketing and quarantine facilities (7.8)
- Seek support from Eritrea to patrol coastal fishing areas to reduce rampant trawling by foreign fishing vessels

B. Medium-Term Rehabilitation.

8.2 The medium-term program is to be designed to guide the implementation of rehabilitation efforts over the next 2-3 years. Immediate priorities of the rehabilitation program will include the reintegration of displaced populations and capacity building to manage the recovery process, meet basic needs through social services, reinvigorate the productive sector, and manage human settlements. The medium-term priorities include:

Maintain Security:

- Reestablish civil security throughout the country on a financially sustainable basis (4.12)

Social Services:

- Physical rehabilitation of education/health facilities, starting at district level (5.16)
- Resumption of structured health personnel training (5.17)
- Training of headmasters and primary school teachers (5.31)
- Develop programs of social rehabilitation for orphans, war-wounded, trauma victims, and others (5.38)
- Work off current excess supply of food (5.65)
- Establish national unit to monitor domestic production and commercial imports of food for the benefit of establishing a functioning internal market (5.76)

Resettlement of Displaced Persons:

- Develop capacity of local NGOs to support resettlement efforts (5.52)

Physical Infrastructure:

- Delay new road construction (6.6)
- Road rehabilitation to focus on linking agricultural areas to markets (5.68), (6.8)
- Reestablish routine road maintenance at regional level (6.9)
- Reconstruct damaged bridges over Juba and Shebelli rivers (6.8)
- Create port authorities at level of city/town that it serves (6.16)
- Resume on-shore management of air space (6.20)

- Introduce cost recovery system for urban water supply
- Develop innovative shelter system which allows for allocation of undeveloped urban land according to acceptable land tenure system (6.35)
- Establish pricing policy for oil products based on international prices (6.43)
- Provide telecommunications between ports and sites of livestock herding

Productive sectors:

- Restore private markets in agricultural inputs (7.10)
- Reconstitute the extension and research service (7.10)
- Provision of local seeds to encourage return of displaced people (5.50)
- Introduce productive sector training for informal sector employment (7.14)
- Establish private sector banking institution (7.17)

C. Long-term Recovery Strategy.

8.3 The primary purpose for preparing a planning framework for long-term strategies is to establish a mechanism for coordinated development of recovery programs given constrained human and capital resources. The strategy will present program goals and components to be achieved through the application of domestic and international resources. While focusing primarily upon long-term reconstruction and development, the strategy will recognize relief activities and set achievable goals for rehabilitation efforts over the short-and medium-term. The strategy will be primarily directed toward capacity building at all levels and will aim to ensure full participation of Somali leadership in policy formulation and implementation integrating political, economic, and social systems. Some long-term recovery strategies will only be triggered by the creation of some form of central administrative apparatus. Since reconstruction of the infrastructure to functional levels will comprise a significant element of various program components, requirements for capital investment will be outlined in the strategy document. Priority long-term actions include:

Social Services:

- Demographic survey after inter-clan tensions cool off (5.15)
- Resume drought and health/nutrition surveillance (5.19)
- Capacity building of local health/education authorities (5.31)

Public Administration:

- Establish minimal central government organ to oversee transport regulation (6.11)

Physical Infrastructure:

- Rehabilitation of Port of Berbera to maximize capacity for livestock export (6.17)
- Rehabilitate piped water treatment and supply systems in Mogadishu, Kismayo and Hargeisa (6.22)

- Rehabilitate major road network including priority rural roads (6.8)
- Reestablish Road Maintenance Fund (6.10)
- Do not rehabilitate/upgrade/enlarge/restart Iraqsoma oil refinery (6.39)
- Install capacity for large scale storage of LPG at each of three main ports (6.42)
- Engage international oil industry to oversee construction of oil product unloading facilities (6.43)
- Replan electrification of Somalia (6.48)
- Reconstruct major irrigation systems (7.11)

IX. INSTITUTIONAL FRAMEWORK OF RECONSTRUCTION PROGRAM

A. Introduction

9.1 In the absence of a central government in Somalia, it has been assumed that UNOSOM would play the role of the central organizing force behind the reconstruction and recovery program. It would coordinate donor activities, guided by the principles set out in the planning framework which would have been agreed upon by both the donor community and representative Somalis at the regional level. This chapter reviews the issues that underlie the assumption and poses questions about the efficacy of the proposal under current country conditions.

B. Role of UNOSOM

9.2 The UN Operation in Somalia (UNOSOM) was established in Mogadishu following adoption of a Security Council resolution in April 1992 and the signing of agreements reached in Mogadishu. The agreements required the United Nations to deploy UN Observers to monitor the cease-fire and to deploy UN security personnel to protect its personnel and safeguard its activities in continuing to provide humanitarian and other relief assistance in and around Mogadishu. UNOSOM's mandate was expanded by further Security Council resolutions in July and August 1992 to include four operational zones in Somalia and the deployment of up to 3,500 military personnel.^{4/}

9.3 In December 1992 the Security Council authorized the Secretary General and member States to establish a secure environment for humanitarian relief operations in Somalia. As a result, the United Task Force (UNITAF) was deployed in southern and central Somalia. By May 1993, the essential emergency food relief operations had been largely completed under UNITAF. At that time, the role of UNOSOM, called UNOSOM II, was expanded to include the following main elements:

- a) To monitor that all factions continue to respect the cessation of hostilities.
- b) To prevent any resumption of violence and, if necessary, take appropriate action against any faction that violate or threatens to violate the cessation of hostilities.
- c) To maintain control of the heavy weapons of organized factions which will have been brought under international control.
- d) To seize small arms of all unauthorized armed elements.
- e) To secure or maintain security at all ports, airports, and lines of communication required for the delivery of humanitarian assistance.

^{4/} United Nations General Assembly A/47/916 of 31 March 1993.

- f) To protect, as required, the personnel, installations, and equipment of the UN and its agencies, the ICRC as well as NGOs and to take such forceful action as may be required to neutralize armed elements that attack, or threaten to attack, such facilities and personnel, pending establishment of a new Somali police force which can assume this responsibility.
- g) To continue the program for mine-clearing.
- h) To assist in the repatriation of refugees and displaced persons within Somalia.
- i) To carry out such further functions as may be authorized by the Security Council.

9.4 The UNOSOM II mandate requires the deployment of an overall military component of 28,000 of all ranks, including 8,000 troops to provide logistic support. The bulk of the logistic element initially came from UNITAF and constitutes an integral part of UNOSOM. A greater part of the forces provided by the troop-contributing countries that were participating in UNITAF are supporting UNOSOM II under the operational control of the Force Commander of UNOSOM II. The estimated cost of UNOSOM II for the twelve month period beginning May 1, 1993 was US\$1.5 billion. The budget included \$5 million for the training of an auxiliary civilian police force for Mogadishu. The humanitarian relief function of UNOSOM II (centered around item h) above) is the responsibility of the Division of Humanitarian Relief and Rehabilitation (DHRR). A review of the budget breakdown reveals no item that can be directly linked to any activity of humanitarian assistance.

- If UNOSOM is going to play an effective role as central coordinating body for Somalia's reconstruction and recovery pending establishment of a new Somali authority, consideration needs to be given to amending its official mandate for so doing.

9.5 At the present time, the dual role of UNOSOM—military control and humanitarian assistance—is perceived by many in the donor community to be less than satisfactory in that the former role is inhibiting efforts of the latter. It is reported that many members of the international community have been alienated by the narrowly defined military course of action pursued by UNOSOM II. The resources provided to the Division of Humanitarian Relief and Rehabilitation have not been at the level required to allow the Division to act as an effective coordinating body for relief and recovery, much less reconstruction. Its main functions include an advocacy role in encouraging Somali consultative institutions at the community, district and regional levels to assume greater responsibility for all phases of the recovery process. This advocacy role encourages humanitarian partners to design and implement projects that are based on a firm foundation of future sustainability. The Division's efforts to initiate rehabilitation work has necessitated the performance of functions which are currently outside UNOSOM's mandate. Activities such as licensing of national and foreign joint ventures in the fields of fishing, telecommunications and the export of livestock which are required as the economy improves are being carried out in an ad hoc manner by UNOSOM in the absence of a formal Somali government in an effort to facilitate the resumption of normal economic activity.

C. Role of Somali Community

9.6 The design of community-based small-scale projects is the approach being taken by DHRR to give impetus to the Somali institutions of governance. Indigenous organizations are being required to begin the processes of budgeting, goal and priority setting at the regional level. This process requires the allocation of limited resources to each region and the setting of regional priorities and calculation of Somali in-kind and other contributions to community problem solving. These small-scale projects will be managed by a cooperative team of NGOs, UN organizations and DHRR officials. Donors are being approached in order to make commitments which fit within the planning framework and buttress Somali efforts to take ownership of the medium- and long-term planning process.

9.7 **Councils of Elders.** These Councils exist in almost all small towns. They exercise some representative function for the local areas even if there is no formally constituted authority. In some cases there are educated administrative personnel working with the elders who provide some kind of executive back-up on a volunteer basis. Most of these community structures are fluid. Meetings are called on an *ad hoc* basis, usually with regard to security issues. These groups constitute an important channel of communication with local populations. Identification of priority needs and mobilizing community support and participation cannot be done without recourse to the Councils of Elders.

9.8 **District Councils.** Since July of 1993, UNOSOM has been engaged in a process of establishing District Councils as the lowest of three tiers of administrative organization leading to the formation of Regional Councils and ultimately a Transitional National Council. The basis for the selection of representatives to the District Councils is unclear but has been left to the local communities themselves. It is understood that in some areas of Somalia, particularly when two or more clans are living together, the pressure to select community representatives within the tight time frame required by UNOSOM has led to difficulties which have compromised the effectiveness of the Councils. It is not clear that the District Councils as presently established will provide the necessary representative framework upon which to base the reconstruction of a local community much less on which to build a new Somali Government.

9.9 The overriding concern of donors is the lack of a sustainable political process as a framework for planning. There is real concern that funds will be wasted if disbursed in a political vacuum. It is, therefore, essential that the current quantitative indicator of political success, i.e. "numbers of district councils established" is supplemented by a qualitative one which assesses their ability to function effectively. Attention should, therefore, focus on how the political process can be strengthened through the reconstruction planning process. This can be done through capacity building of local councils supported by access to funds, provided sensible sustainable projects can be formulated.

D. Role of Local NGOs

9.10 Under UNOSOM guidelines for establishment of district councils, four committees are supposed to be established: Revenue and Expenditure; Security and Legal; Social Affairs and Services; and Humanitarian Assistance/Reconstruction and Rehabilitation.

The rationale for separation of functions in this way is not clear. Planning and finance functions should be brought together to ensure decisions of resource allocation are conducted within a sustainable financial framework. The financial implications of initiatives from the security and legal committee will also need to be monitored. Staffing these committees with suitably qualified people will be critical to ensuring their professionalism. In order to attract well qualified staff, reasonable (but sustainable) salaries will have to be paid. This, however, needs to be addressed in the context of salaries for the public sector. The design of planning and budgeting systems will need to take careful account of institutional capacity.

9.11 Another important support structure for the reconstruction of Somalia are the local NGOs. Many of them are focused on relief operations, but a growing number, especially in regions not suffering from famine, have started to concentrate on rehabilitation and developmental activities. UNDP was able to study in some detail the NGO situation in the north of the country in 1993. The findings may not apply totally to other regions, but it seems prudent to assume that at least in the north, and possibly also elsewhere, the cooperation between the donor community and NGOs will constitute the backbone of the project operation.

9.12 In the years of Siad Barre, NGOs were discouraged in Somalia. Community efforts aimed at establishing voluntary self-help organizations were immediately frustrated through high handed actions and even imprisonment, especially in the northwest. Therefore, the NGO movement is relatively young in Somalia and equally unexperienced. On the other hand, since 1991, the NGOs have had considerable human resources to tap since many Somali professionals, having become unemployed were therefore, available to them.

9.13 The strengths of the existing NGOs seem to be in:

- an ability to mobilize manpower with special skills ranging from engineers, teachers, health professionals, to business managers;
- an ability to mobilize women development managers as well as women in the community;
- firsthand experience with all the local conditions;
- acceptance as part of the community;
- support and encouragement from the community and the authorities.

9.14 Numerous constraints facing them have also been identified and these are:

- limited experience in NGO programming and management;
- limited structure and resources available in the country;
- lack of experience while operating in an emergency situation;
- institutional and management weakness;
- limited financial and material resources and facilities;
- lack of logistics capability to supervise and monitor activities;
- lack of communication facilities.

9.15 In a situation of continued political uncertainty, the existing NGOs represent an opportunity to mobilize communities for recovery and developmental operation. Their

activities, though, will always need to be grounded in a community consensus which can only be generated by the community leadership.

E. Information Management

9.16 Crucial to the success of the reconstruction effort will be the availability of accurate and up-to-date information to monitor the on-going relief and rehabilitation efforts in Somalia. The exchange of information on implementation will be one of the main mechanisms for donor (including NGO) coordination, under the overall guidance of UNOSOM's DHHR. Initially DHHR would establish an information system which would provide data on projects which are already being implemented, as well as those that have been planned and funded. This data base would be made available to all donors and updated regularly. The proposed health and nutrition surveillance and drought early warning system should also provide valuable inputs to the system. The information system, to be known as SORRIN^{5/} would meet the following needs:

- a) Reporting to the donor community during program implementation.
- b) UNOSOM to act as a focal point for advising which among the implementation partners does what, where, and how.
- c) To build a geographic information system capable of expanding as the needs grow.
- d) Provide a link with the public information function of the UN.

9.17 Specifically, the information system will:

- a) Collect relevant information which relates to UNOSOM's humanitarian mission from other UN bodies, NGOs and sources of local information including reconstitution of relevant historical data bases.
- b) Catalog all information collected through a documentation center, place original source materials in secure storage.
- c) Evaluate information for relevance to DHRR's needs for current and future needs.
- d) Prepare reports, briefing materials, and information files to aid decision making processes of all parties involved in reconstruction.

^{5/} Somali Relief and Rehabilitation Information Network.