

No. 20884

**UNITED STATES OF AMERICA
and
SOMALIA**

Agreement for sales of agricultural commodities under Public Law 480, Title I. Signed at Mogadiscio on 12 January 1981

Authentic text: English.

Registered by the United States of America on 1 March 1982.

**ÉTATS-UNIS D'AMÉRIQUE
et
SOMALIE**

Accord relatif à la vente de produits agricoles conformément au programme du titre I de la *Public Law* 480. Signé à Mogadishu le 12 janvier 1981

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} mars 1982.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE SOMALIA DEMOCRATIC REPUBLIC FOR SALES OF AGRICULTURE COMMODITIES UNDER PUBLIC LAW 480, TITLE I PROGRAM

The Government of the United States of America and the Government of the Somalia Democratic Republic have agreed to the sales of agricultural commodities specified below. This agreement shall consist of the preamble, part I and part III of the March 20, 1978 Agreement,² together with the following part II.

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE

<i>Commodity</i>	<i>Supply period (U.S. fiscal year)</i>	<i>Approximate maximum quantity (metric tons)</i>	<i>Maximum export market value (millions)</i>
Rice	1981	10,300	4.6 Dols
Corn/sorghum	1981	15,300	3.0 Dols
Wheat/wheat flour (grain equivalent basis)	1981	15,000	4.3 Dols
Soybean/cottonseed oil	1981	4,300	3.1 Dols
TOTAL			15.0 Dols

Item II. PAYMENT TERMS

Convertible local currency credit (40 years):

1. Initial payment, none;
2. Currency use payment, 5 percent for section 104 (a) purposes;
3. Number of installment payments, 31;
4. Amount of each installment payment, approximately equal annual installment;
5. Due date of first installment payment, 10 years from date of last delivery of commodities in each calendar year;
6. Initial interest rate, 2 percent;
7. Continuing interest rate, 3 percent.

Item III. USUAL MARKETING TABLE

<i>Commodity</i>	<i>Import period (U.S. fiscal year)</i>	<i>Usual marketing requirements (metric tons)</i>
Rice	1981	32,000
Feedgrains	1981	—
Wheat/wheat flour (grain equivalent basis)	1981	25,000
Edible vegetable oils and/or bearing seeds (oil equivalent basis)	1981	6,800

¹ Came into force on 12 January 1981 by signature, in accordance with part III (A).

² United Nations, *Treaty Series*, vol. 1149, p. 427.

Item IV. EXPORT LIMITATIONS

(A) The export limitations period shall be U.S. fiscal year 1981 or any subsequent U.S. fiscal year during which commodities financed under this Agreement are being imported or utilized.

(B) For the purpose of part I, article III (A) (4) of the Agreement, the commodities which may not be exported are: for rice: rice in the form of paddy, brown or milled; for feedgrains: corn/sorghum, cornmeal, barley, oats, and rye including mixed feed containing such grains; for wheat/wheat flour: wheat, wheat flour, rolled wheat, semolina, farina or bulgar (or the same product under a different name); and for soybean/cottonseed oil: all edible vegetable oils, including soybean oil, peanut oil, sesame oil, sunflower oil, cottonseed oil, rapeseed oil, and any edible oil bearing seeds from which edible oils are produced.

Item V. SELF-HELP MEASURES

(A) The Government of the importing country agrees to undertake self-help measures to improve the production, storage and distribution of agricultural commodities. The following self-help measures shall be implemented to contribute directly to development progress in poor rural areas and enable the poor to participate actively in increasing agricultural production through small farm agriculture.

(B) The Government of Somali Democratic Republic (GSDR) agrees to undertake the following activities and in doing so to provide adequate financial, technical, and managerial resources for their implementation:

- (1) Continue programs and activities to upgrade the livestock sector in Somalia. As part of these efforts, GSDR will:
 - (a) Upgrade the training facilities and programs for those extension agents who will be detailed to work with livestock herders.
 - (b) Designate an entity within the National Government to conduct a detailed study to review and make recommendations to the GSDR on programs needed for overcoming transportation and related marketing constraints in the livestock sector.
- (2) Give priority in its development activities to programs having the goal of attaining [self-reliance] in the production of basic food crops, particularly grain and oilseeds. Examples of such efforts to increase production would include installation of irrigation pumps and stream water storage.
- (3) Take appropriate measures to guarantee that farmers receive fair and adequate farm-gate prices for their output.
- (4) Increase agricultural research and extension work within the Ministry of Agriculture, especially for those projects aimed at attaining self-reliance in production of food crops. Seed improvement, multiplication and distribution for grains and oils should be emphasized.
- (5) Increase infrastructural and other services by the Water Development Agency (WDA) and the Settlement Development Agency (SDA) to settlers and cooperative farmers in the established agricultural and fisheries projects including activities in irrigation, conservation and expanded use of fertilizer.
- (6) Implement specific manpower-management and planning programs within the Ministry of Agriculture.
- (7) In collaboration with the State Planning Commission, Ministry of Agriculture and appropriate Somali University, the GSDR shall review the feasibility of instituting a baseline study aimed at generating data on production, input costs and marketing of food-grains. The USDA, Title XII institutions, consulting firms, or international

organizations may be approached for technical assistance as required, through the use of PL 480 generated local currency. In cooperation with host Government (GSDR) USDA will prepare a bi-annual evaluation on XII activities when local currencies are used.

Item VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH PROCEEDS ACCRUING TO IMPORTING COUNTRY ARE TO BE USED

(A) The commodities provided hereunder, or the proceeds accruing to the importing country from the sales of such commodities, will be used for the following projects/programs which directly benefit the needy people of the importing country.

(1) The following self-help measures as set forth in item V of the Agreement:

- (a) Increase infrastructural and other services to settlers in agricultural and fisheries settlement (i.e. extension services, improved water supply, resettlement housing, health services, development of cooperatives).
- (b) Implement manpower-management and planning programs (i.e. training of extension, resettlement, refugee relief and agricultural development personnel).
- (c) Increase production of basic food crops, particularly grain and oilseed (i.e. promotion of small-scale production/extension projects in the interriverine Bay, and Northwest farming areas).

(2) The following specific projects and programs will be undertaken in support of the self-help measures:

- (a) Agriculture production/extension projects;
- (b) Rural water projects;
- (c) Health projects;
- (d) Settlement housing projects;
- (e) Women-related projects;
- (f) Fisheries projects;
- (g) Range Management including animal health and energy resource projects;
- (h) Refugee related activities;
- (i) Increase effectiveness of marketing livestock and agricultural products;

(B) The project/programs identified under VI, A above will directly benefit the needy in the following ways:

(1) Agricultural production/extension projects will assist in providing agricultural services, commodities and implements for small-scale farmers in the interriverine, Bay, and Northwest farming areas. Similar assistance will be provided settlers in the six established agricultural and fisheries settlement projects. Approximately 300,000 small farmers are expected to benefit. The principal objectives are to increase agricultural cereal and oil seed production to achieve near self-sufficiency in the early 1980's and to help raise rural incomes.

(2) Rural water projects will provide potable water for rural families and increased supplies for animals. This is a major problem for all rural Somalis who must eke out a living in this semi-arid land. Present wells are insufficient both in terms of quantity and quality and the rivers are infested with shistosomiasis. Rural water projects will not only have a beneficial effect on health and sanitary conditions, especially for children, but will also improve the overall quality of life of the rural inhabitants. The program will complement but not be limited to other projects outlined in this section.

(3) Health projects envisaged are part of a country-wide program to extend primary health care services to the rural farming and nomadic populations. The program will

involve the training of rural health workers, the constructions of small rural dispensaries, some larger rural health clinics, and the provision of supplies and equipment in support of the dispensaries and clinics. The principal groups to benefit from the expanded health services will be the rural and nomadic populations who have limited access to primary health care. The program will give emphasis to addressing problems and communicable diseases, maternal child health care, nutrition and sanitation. Many of the dispensaries and clinics will be centered in the agricultural areas identified in VI, B, 1. At the conclusion of this country-wide program, which will take a number of years to complete, approximately 2.0 million persons are expected to receive primary health services.

(4) Settlement housing projects will provide low-cost housing for resettled drought victims. The program will assist in replacing temporary shelters with permanent structures in the agriculture and fisheries settlement projects, beginning in Kurtunwaare. These resettled people have given up their previous nomadic way of life, and with few or no belongings or livestock, they are attempting to establish economically viable food producing settlements. The housing to be constructed is being designed in conjunction with these settlers to assure that acceptable housing is constructed at low price.

(5) Women-related projects take into consideration any effort in which females are the primary beneficiaries. This may include assistance in home gardening, home economics, craft production, textile design and production and women's groups and centers.

(6) Fisheries development projects are an area of monetary gain to increasing numbers of coastal villages and towns inhabited by resettled nomads. The program includes renovation and expansion of present facilities and other local cost elements required to improve capabilities in this sector. With 15,000 drought-stricken nomads, as well as numerous other villagers depending on fishing as the sole means of economic improvement, the potential of developing this industry along Somalia's lengthy coastline is one of considerable importance for the country. Besides providing incomes increased fish production will improve nutritional standards of those not only dependent upon fishing for a livelihood but also other consumers throughout the country. Also the fishing sector is one of the few areas that has the potential that may develop into a source of foreign exchange.

(7) Approximately 60 percent of Somalia's population is nomadic or semi-nomadic. They exist in a harsh environment and are largely dependent on their animals for physical and economic survival. Range management and animal health projects will implement grazing systems and animal health programs, while emphasizing conservation of the limited resources found in these dry lands. As the basic source of energy for cooking and heating is wood or charcoal, projects will be developed emphasizing the more efficient use of those items and in the use of unsophisticated alternate sources of energy, such as solar cookers and simple bio/gas converters. In addition, shelter belts will be constructed to protect agricultural areas from drifting sands, fodder production farms will be expanded, artificial insemination will develop improved strains of cattle, and tsetse fly eradication will increase meat and milk production as well as open up riverine areas for settlement.

(8) Approximately 75 percent of Somalia's foreign exchange earnings derive from the sales of live animals or animal products and likewise some 75 percent of the population gain their livelihood as farmers and herdsmen. The return on agricultural products and livestock could be increased if existing marketing facilities were upgraded and this would have a direct effect on the well-being of small farmers and small herdsmen throughout the country.

(9) Beginning in mid-1977, refugees have been pouring into the country at increasing rates. Early 1980 saw some 560,000 counted refugees in camps and an estimated 700,000 outside of camps. The refugee camp population increased by 1,500 a day and additional facilities are continually needed. The refugees arrive in poor health with practically no possessions and certainly make up the poorest segment of Somalia. There are

currently 21 camps scattered throughout the country and all are in need of storage buildings for food and other supplies, agricultural implements, seed medicine, and shelter. Also water resources development has become a critical concern for both the refugees in camps as well as outside camps. These inputs will not lead to self-sufficiency but will simply assist the refugees to survive.

(10) The programs described above are presently in the planning stage and will be subject to modification during implementation.

(C) In addition to the report required by part I, article II F of this Agreement, the importing country agrees to report on the progress of implementation of the projects/programs identified in item VI A above. Such report shall be made by the importing country within 6 months following the last delivery of commodities in the first calendar year of the Agreement and every 6 months thereafter, until all the commodities provided hereunder, or the proceeds from their sale, have been used for the project/program specified in item VI A above.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Mogadishu in duplicate this 12th day of January 1981.

For the Government
of the Somali Democratic Republic:

By: [Signed — Signé]¹
Title: Minister of Finance

For the Government
of the United States of America:

By: [Signed — Signé]²
Title: Ambassador

¹ Signed by Abdullahi Ahmed Addou — Signé par Abdullahi Ahmed Addou.

² Signed by D. Petterson — Signé par D. Petterson.