

No. 30309

**UNITED STATES OF AMERICA
and
SOMALIA**

**Agreement for the sales of agricultural commodities. Signed
at Mogadiscio on 17 June 1982**

Authentic text: English.

Registered by the United States of America on 28 September 1993.

**ÉTATS-UNIS D'AMÉRIQUE
et
SOMALIE**

**Accord relatif à la vente de produits agricoles. Signé à
Mogadishu le 17 juin 1982**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 28 septembre 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF SOMALIA DEMOCRATIC REPUBLIC FOR SALES OF AGRICULTURE COMMODITIES

The Government of the United States of America and the Government of the Somalia Democratic Republic agree to the sale of agricultural commodities specified below. This agreement shall consist of the Preamble and Parts I and Part III of the March 20, 1979 Agreement,² together with the following Part II.

Part II. Particular Provisions:

Item I. Commodity Table:

<u>Commodity</u>	<u>Supply Period (U.S. FY)</u>	<u>Approximate Quantity (Metric Tons)</u>	<u>Export Market Value (Millions)</u>
Wheat	1982	5,500	.9
Wheat Flour	1982	11,600	3.2
Rice	1982	21,000	6.3
Soybean/Cottonseed Oil	1982	6,500	4.1
TOTAL			14.5

Item II. Payment Terms: Convertible Local Currency Credit (CLCC)

- A. Initial Payment - None
- B. Currency Use Payment - Amount five (5) percent for Section 104(a) purposes
- C. Number of Installment Payments - Thirty-one (31)
- D. Amount of each Installment Payment - Approximately Equal Annual Amounts
- E. Due Date of First Installment Payment - Ten (10) years after date of Last Delivery of Commodities in each Calendar Year.
- F. Initial Interest Rate - Two (2) percent.
- G. Continuing Interest Rate - Three (3) percent.

¹ Came into force on 17 June 1982 by signature, in accordance with part III (A) of the Agreement of 20 March 1978 referred in note 2 below.

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

Item III. Usual Marketing Table:

<u>Commodity</u>	<u>Import Period (U.S. FY)</u>	<u>Usual Marketing Requirements (Metric Tons)</u>
Rice	1982	32,000
Wheat/Wheat Flour (Grain equivalent basis)	1982	24,000
Soybean/Cottonseed Oil	1982	6,800

Item IV. Export Limitations:

(A) The export limitations period shall be U.S. fiscal year 1982, or any subsequent U.S. fiscal year during which commodities financed under this Agreement are being imported or utilized.

(B) Commodities to Which Limitations Apply:

For the purposes of Part I, Article III (A) (4) of this Agreement, the commodities which may not be exported are: For Wheat/Wheat flour - wheat, wheat flour - rolled wheat, semolina, farina, bulgur, (or the same product under a different name); for soybean/cotton seed oil - all edible vegetable oils including sunflower oil, peanut oil, sesame oil, cottonseed oil, rapeseed oil, and any other edible oil bearing seeds from which edible oils are produced; and for rice - rice in the form of paddy, brown or milled.

Item V. Self-Help Measures:

(A) The Government of the Somali Democratic Republic agrees to undertake self-help measures to improve production through: expanding the irrigation system; biannual review of prices paid to farmers; improvement/expansion of the extension service for both crops and livestock; upgrading of Agriculture Research, and development of an agriculture sector data system.

The Self-help measures set forth in V.B. below shall be implemented to contribute to agriculture/livestock development progress in poor rural areas, and to enable small farmers to more fully participate in increasing agriculture/livestock production.

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

1. Place high priority on the rehabilitation of existing irrigation schemes. As part of these efforts the GSDR will:
 - (a) Rehabilitate certain irrigation systems in the Upper Shebelle area.

- (b) Turn over the operation and maintenance of wells to users or associations of users.
- 2. Review, at least biannually, farm gate prices of crops produced with the intent to assure that such prices more closely approximate export and import parities at realistic exchange rates.
- 3. Increase the availability of agricultural inputs at a reasonable cost level.
- 4. Review the management of public enterprises in the agriculture and agro-industrial sector in order to determine ways to improve efficiency in operations, and investment policy decisions; and where indicated by such reviews, phase out inefficient public enterprises in the agriculture sector.
- 5. Review policy measures in the agricultural sector in order to encourage foreign and domestic private investment in developing the sector.
- 6. Improve the effectiveness of agricultural research and extension services. As part of these efforts the GSDR will:
 - (a) provide adequate material resources for present personnel assigned to research and extension work.
 - (b) develop a long-term national strategy for expanding agricultural research.
 - (c) develop, and then demonstrate, extension procedures designed to fit Somalia's needs and resources.
- 7. Improve management of technical training programs in the agricultural sector and establish economic incentives to encourage the retention of technically qualified personnel in the sector.
- 8. Provide health and other social services to rural areas to improve farm population physical well-being and work environment.

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 sale 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) Implement manpower-management programs (i.e., training of extension, research and livestock services personnel).
 - (b) Increase production of basic food crops through rehabilitation of existing irrigation systems; maintaining a realistic price structure for farm outputs and assuring the availability of farm inputs.
 - (c) Provide adequate financing and logistical support to rural primary health care and social service activities in rural areas.
 - (d) Provide adequate financing and management support to all personnel engaged on projects in food production and allied development activities.
2. The following specific projects and programs will be undertaken in support of the self-help measures:
 - (a) Establish, staff and operate an agricultural center in Burhakabah to support the extension service in the Gedo Region. Activate and staff additional demonstration centers in Luuq, Bardheere, Jamame, Abarian, and Kalabiad.
 - (b) Rehabilitate 15 Uars (water ponds/tanks) in the Bay Region located on main cattle routes.
 - (c) Renovate livestock holding and loading facilities at the Berbera port.
 - (d) Construct 20 wells and allied water distribution systems.
 - (e) Renovate existing irrigation water delivery systems specifically:
 - Lower Shebelli - Clearing silt from 82 kilometers (KMs) of canals. 16,400 hectares
 - Middle Shebelli - Repairing two major canals from flood damage, 4.5 and 8 KMs, respectively. 2,500 hectares
 - Afgoi - Repair of one major canal, 12 KMs of canal. 3,000 hectares.
 - (f) Continue sand dune stabilization program to control encroachment of dunes on farm lands; 2,500 hectares to be stabilized in 1982.

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

1. The implementation of manpower training programs in the Agricultural/Livestock sector will greatly improve the management of project activities in Somalia's agricultural program which serves the country's small farmers and nomadic herders. This is especially true of extension activities which currently suffer from a lack of middle level managers. Direct and indirect beneficiaries of these improved services will comprise approximately 80 percent of the population.
2. Rehabilitation of the existing irrigation system will help increase food production on the 50,000 hectares of land which is under controlled irrigation in Somalia. The bulk of this land is farmed by small landholders. The maintenance of a realistic price structure will assure that small farmers' incomes will increase by providing a better return on their labor. The assured availability of farm inputs, e.g., fertilizer, seeds, pesticides, will contribute to increasing small farm income by providing the necessary components of production to fully exploit the productivity of land.
3. Improved health and other social services in rural areas will directly or indirectly contribute to providing a favorable environment for 80 percent of Somalia's population who are engaged in Agricultural or livestock occupations. Such a favorable environment is conducive not only to social stability, but to maximizing the economic potential of rural areas.
4. Adequate financing and management support to food production personnel will assure that extension agents and others providing services to farmers and livestock herders have the logistical support to deliver their services to the rural needy.
5. The establishment and operation of an agricultural center at Burhakabah and the demonstration center in the Gedo Region will serve to provide technical knowledge to approximately 5,000 small farmers in the area.
6. The rehabilitation of 15 Uars (water ponds/tanks) will assure that adequate water is available for inter-regional movement of approximately


1.5 million head of cattle. These watering points will contribute to increasing the income of herdsmen by cutting back on livestock losses suffered in movement of cattle on their way to and from grazing areas.

7. The renovation of livestock holding and loading facilities at Berbera port, Somalia's major port of export for livestock, will increase livestock earnings by reducing losses of cattle in badly maintained holding areas. This will benefit animal herders by increasing the value of their livestock sales.
8. The construction of 20 wells and related water distribution systems will provide potable water for rural families and increased supplies for animals. These wells will not only contribute to improving health and sanitary conditions, but will improve the general quality of life of rural inhabitants.
9. The renovation of existing irrigation water delivery systems will benefit, in varying degrees, approximately 8,200 farm families in the Lower Shebelli area; approximately 1,250 families in the Middle Shebelli area, approximately 1,200 farm families in the Afgoi area, and 1,500 farm families in the Upper Shebelli region by assuring a more reliable irrigation supply system.
10. By preventing encroachment of dunes on farm lands, the sand dune stabilization program benefits the nation as a whole, by assuring that productive farm land is not lost. It will also benefit the small holders in the target areas.

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 the implementation of the projects/programs identified in Item VI (A) above. Such report shall be made by the importing country within six (6) months following the last delivery date of commodities in the first calendar year of the Agreement and every six (6) months thereafter until all the commodities provided hereunder, or the proceeds from their sale, have been used for the projects/programs 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 17 DAY OF JUNE, 1982.

For the Government
of Somali Democratic Republic:

By:  ¹

Title: Minister of Finance

For the Government
of the United States of America:

By:  ²

Title: U.S. Ambassador

¹ Abdullahi Ahmed Abdou.

² Donald K. Peterson.