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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE

Assistance to Equatorial Guinea

Report of the Secretary-General

1. In its resolution 34/123 of 14 December 1979, the General Assembly requested the Secretary-General, inter alia, to organize an international programme of financial, technical and material assistance to Equatorial Guinea to meet the long-term and short-term reconstruction, rehabilitation and development needs of the country and to report on the matter to the Assembly at its thirty-fifth session.
2. In pursuance of that resolution, the Secretary-General arranged for a mission to visit Equatorial Guinea in July and August 1980. The mission's report, which is annexed hereto, provides information on the present economic, financial and social situation of the country. It also includes a list of projects drawn up by the mission, in consultation with the Government, to enable the country to meet some of its urgent rehabilitation, reconstruction and development needs. Details of individual projects, together with estimated costs, are provided in the addendum to the present report (A/35/447/Add.1).

* A/35/150.

ANNEX

Report of the mission to Equatorial Guinea
(28 July to 6 August 1980)

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I. INTRODUCTION

1. On 28 September 1979, the Secretary-General received a letter from the President of the Supreme Military Council for the Republic of Equatorial Guinea, His Excellency Lieutenant-Colonel Obiang Nguema Mbasogo, requesting emergency humanitarian assistance in view of the serious situation in that country. The letter stated that under the previous Government "the country lost the structure and form of a State, and its political economic and social organizations, as well as ties and co-operation with other States, were destroyed" and that the people of Equatorial Guinea sought help of every kind owing to the state of devastation and ruin in the country.
2. The Secretary-General arranged for a mission to visit Equatorial Guinea from 15 to 19 October 1979 to consult with the Government and make an appraisal of the emergency humanitarian assistance required. The mission was led by the Joint Co-ordinator of Special Economic Assistance Programmes in the Office for Special Political Questions and included representatives from the United Nations Development Programme, the Office of the United Nations High Commissioner for Refugees, the World Food Programme, the United Nations Children's Fund, the World Health Organization and the Department of Technical Co-operation and Development of the Secretariat. The report of the mission was circulated to Member States and concerned organizations.
3. On 14 December 1979, the General Assembly adopted resolution 34/123, in which it requested the Secretary-General to organize an international programme of financial, technical and material assistance to Equatorial Guinea to meet the long-term and short-term reconstruction, rehabilitation and development needs of the country.
4. In pursuance of that resolution, the Secretary-General arranged for a mission, led by the Under-Secretary-General for Special Political Questions and Co-ordinator of the Special Economic Assistance Programmes, to visit Equatorial Guinea from 28 July to 6 August 1980. In addition to the Senior Economic Affairs Officer in his office, the mission included representatives from the Department of Technical Co-operation and Development of the Secretariat, the United Nations Conference on Trade and Development, the International Labour Organisation, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization and the World Health Organization.
5. The mission was received by the President of Equatorial Guinea. It held discussions with the General Technical Secretary, the Commissioners, Technical Secretaries and senior civil servants in the Ministries of Foreign Affairs, Finance and Trade, Interior, Health, Education, Public Works and Transport, Labour, and Agriculture, Livestock and Forestry. It also consulted with senior officials of the Secretariat of State for Economic Development and Planning. Members of the mission met also with the Governor of the Province of Río Muni. Talks were held also with members of the diplomatic corps accredited to Equatorial Guinea and with representatives of voluntary organizations active in the country.

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6. The mission wishes to place on record its appreciation of the assistance and full co-operation it received from the Government of Equatorial Guinea in providing information necessary for the mission's work. The mission also acknowledges with appreciation the assistance it received from the office of the United Nations Development Programme in Malabo.

II. BACKGROUND

A. Physical features

7. Equatorial Guinea consists of Continental Guinea, or Río Muni, located on the West African mainland, and Insular Guinea, consisting of the islands of Bioko and Annobón (formerly known under the previous régime as Pagalu) (see maps). The total land area of the country is 28,051 square kilometres (Río Muni, 26,017 sq. km.; Bioko, 2,017 sq. km. and Annobón, 17 sq. km.). Malabo, the capital of Insular Guinea, is also the national capital. Bata is the provincial capital of Río Muni.

8. Río Muni is an enclave bordered to the north by the United Republic of Cameroon and in the east and south by Gabon. The island of Bioko, volcanic in origin, lies about 250 km. offshore from Río Muni, and 50 km. off the coast of the United Republic of Cameroon. It is the site of the country's major cocoa plantations. The island of Annobón is about 600 km. south-east of Malabo. The separation of the provinces and the distance between the islands give rise to costly communication and transport problems and adds to the expense of administration.

9. The country has an equatorial climate with heavy rainfall in Bioko, where the annual average rainfall is in excess of 2,000 mm. Bata is somewhat cooler and drier.

B. Political background

10. Equatorial Guinea is a former overseas province of Spain. It received autonomy in December 1963 and became independent on 12 October 1968. On independence, Francisco Macías Nguema became President and led the country until his overthrow on 3 August 1979.

11. In the years following independence, political and economic conditions obliged a relatively large expatriate population to leave the country. In addition, there was a large exodus of nationals, especially between 1975 and mid-1979. This outflow resulted in the loss of almost all of the country's trained manpower and entrepreneurial, professional, technical and administrative ability.

12. On assuming power on 3 August 1979, the present Government found that the economic and administrative structure of the country had been completely destroyed.

Agricultural production had been decimated, exports had fallen to a fraction of previous levels, manufacturing activity had virtually disappeared, most public services had ceased to function and infrastructure had been almost totally neglected. It was evident that it would be some years before production would recover. In the meantime, the Government's ability to generate local revenue was severely limited by the low level of economic activity and the absence of administrative infrastructure.

C. Administrative structure

13. The highest authority in the country is the Supreme Military Council, presided over by the President, Lieutenant-Colonel Obiang Nguema Mbasago. Responsibility for Government administration is divided among 11 Ministries, comprising the Technical Board of the Supreme Military Council. Each Ministry is headed by a Military Commissioner. In addition, there are two State Secretariats both directly responsible to the Office of the President of the Technical Board of the Supreme Military Council. These are the Secretariat for National and Economic Development Planning and the Secretariat for Information and Tourism. The senior civil servants in the Ministries are known as Technical Secretaries. Within each Ministry and Secretariat, a permanent committee comprising the Military Commissioner, the Technical Secretary and the Technical Directors is required to meet at least once a week to consider pertinent matters.

D. Human rights

14. In a statement made on 12 October 1979, the President stated the policy of the new Government with regard to human rights:

"The national policy of the new régime instituted by the Supreme Military Council will be guided by the principles of scrupulous respect for human rights, the re-establishment of democracy throughout the country, the restoration of the economic, cultural, social and religious values of the people of Equatorial Guinea, the reorganization of the administrative institutions, the guaranteeing of public and private property, respect for the human values of personal dignity, liberty and integrity and the inviolability of the home of every citizen."

E. Population, employment and labour

15. The population of Equatorial Guinea is estimated to be between 250,000 and 300,000. This includes the population living inside the country as well as those living outside, mostly in neighbouring countries. The reason for the uncertainty of these data is attributed to the large number of Guineans who fled the country during the 1970s or are reported to have lost their lives under the previous régime. Many of those who fled the country have begun to return, but it has not been possible to determine the numbers involved.

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16. On the basis of a population census conducted by Spain in 1960, projected forward at a rate of 2 per cent per annum and adjusted for the departure of some 7,000 Spaniards following independence, the population of Equatorial Guinea in 1970 is estimated at 300,000. About 210,000 are estimated to have been located on Río Muni and 90,000 on the island of Bioko. The latter figure includes some 40,000 Nigerian workers contracted for the cocoa plantations and their families, numbering about 24,000 persons.

17. With the ending of the civil war in Nigeria in 1970, a large number of Nigerian contract workers and their families left Equatorial Guinea. Following this exodus, the former Government attempted to maintain cocoa production on the island of Bioko by encouraging voluntary migration of Equatorial Guinean workers from the mainland as well as by imposing on civil servants mandatory part-time service in the cocoa plantations. Dissatisfaction with labour and other conditions led the majority of Nigerians to leave the country. To counter the impact of the exodus, the Government passed the Compulsory Labour Act of 1972. The Nigerian workers were only partly replaced by Equatorial Guineans, and their departure left a great void in the manpower available to work in the cocoa plantations. This adversely affected cocoa production. From an average of close to 40,000 tonnes in the period 1966-1968, the crop declined to 4,500 tonnes in 1979-1980.

18. With the advent of the new Government on 3 August 1979, a new policy has been adopted for the cocoa plantations and forestry in respect to ownership and the employment of foreign labour. The large cocoa plantations in Bioko will be returned to their former owners and foreign enterprises are being encouraged once again for the exploitation of the forests on the mainland.

19. The mission was informed, however, that it was not possible even under improved conditions to attract a sufficient number of local workers to the plantations and that it would be necessary to depend on recruitment of labour from other countries in order to restore cocoa production to its previous high level. To meet its manpower requirements, the Government of Equatorial Guinea is endeavouring to recruit contract labour from other countries in the region. The Government recognizes the need to ensure such labour, as well as its own local labour, adequate working conditions and acceptable forms of payment. In this regard, the Government would like to have the assistance of an ILO expert to advise on the formulation of employment policies.

III. EMERGENCY HUMANITARIAN ASSISTANCE

20. The report of the interagency mission which visited Equatorial Guinea in October 1979, contained a detailed list of urgent, humanitarian requirements as well as immediate assistance required for resettlement and rehabilitation. These requirements included food, medicines and medical equipment and assistance to schools, hospitals and Guinean refugees returning to their homeland. The report was circulated as part of an appeal of the Secretary-General which was subsequently made to the international community.

21. The mission has been able to obtain information only from the United Nations system on the amount of humanitarian assistance provided in response to the Secretary-General's appeal. However, the mission understands that substantial assistance was given to Equatorial Guinea by a few donors on a bilateral basis, notably Spain.

22. The details of the United Nations assistance to the emergency humanitarian programme are shown below. It should be noted, however, that, at the time of the mission's visit, not all of the assistance committed had been delivered.

Summary of assistance provided by United Nations agencies and organizations

Office of the United Nations High Commissioner for Refugees

23. A programme of assistance was elaborated in favour of refugees from Equatorial Guinea with a view to facilitating their repatriation from Gabon, the United Republic of Cameroon, Spain and other countries and integrating them into the community during the early period of national reconstruction.

24. Within the framework of this programme UNHCR provided the refugees with food (supplementary to WFP supplies), seeds, medical assistance, tools, and household and school equipment. In order to help the Government to co-ordinate the implementation of the assistance programme, the High Commissioner has posted staff in the country. UNHCR has also provided a number of trucks and light vehicles to ensure the distribution of supplies to the beneficiaries. The distribution of this assistance, which was initially scheduled to be completed by 30 June 1980, has been extended until the end of October, at the Government's request. By the end of July 1980, UNHCR assistance had been distributed to some 11,000 beneficiaries.

25. In the health sector, a medical team was provided by "Medecins sans Frontières" at the request of UNHCR and at its cost.

26. To date, UNHCR has committed over \$1,750,000, exclusive of administrative expenditure, for its refugee programme in Equatorial Guinea.

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United Nations Children's Fund

27. UNICEF has committed \$225,000 for utilization during 1980. Of this amount, \$175,000 was made available from the Executive Director's Emergency Reserve and \$50,000 from the UNICEF regular programme budget for Equatorial Guinea. UNICEF's assistance to this programme concentrates on the rehabilitation of the health infrastructure; this with the objective of raising the level and quality of these basic services to that more suited to immediate needs.

28. In February 1980, UNICEF airfreighted vaccines, vaccination supplies and equipment to support a vaccination campaign supervised by WHO. Urgently required basic drugs and medical supplies were also airfreighted to allow the immediate reopening of some hospitals. Sea-shipment is underway for the rest of the basic drugs, medical supplies and equipment to adequately equip 17 rural and urban hospitals and 45 mother and child health centres. Assistance to the improvement of the health facilities is valued at \$200,000 with the remaining \$25,000 being held available for assistance in close co-operation with UNHCR for returning refugees.

United Nations Development Programme

29. UNDP emergency measures approved for Equatorial Guinea thus far have been limited to assistance in restoring and maintaining electrical supply for Malabo.

Food and Agriculture Organization of the United Nations
World Food Programme

30. In support of the refugee programme, the Director-General of FAO approved, in December 1979, WFP emergency food aid for 20,000 returnees over six months:

Emergency food assistance to returnees

<u>Commodities</u>	<u>Weight</u> (tonnes)	<u>Cost</u> (in United States dollars)
Wheat flour	540	
Soy flour corn meal	180	
Dried skim milk	108	
Oil	108	
<u>Total</u>	936	526,000
of which: <u>Food cost</u>		363,600
<u>External transport</u>		162,400

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31. The Director-General of FAO also approved WFP emergency aid to provide food for 1,000 hospital patients and 20,000 school children aged 7 to 15 years, and an additional ration of dried skim milk for 10,000 children aged between 3 and 6 years. Supplies of sugar have already arrived. Instalments of the remaining commitments have begun to arrive and will be distributed as soon as the schools reopen.

WFP emergency food aid for hospital patients, school and pre-school children (beneficiaries 31,000 people)

<u>Commodities</u>	<u>Weight</u> (tonnes)	<u>Cost</u> (in United States dollars)
Wheat flour	418	
Soy flour corn meal	118	
Oil	5.4	
Sugar	83.6	
Dried skim milk	245.4	
<u>Total</u>	870.4	483,000
of which: <u>Food cost</u>		327,400
<u>External transport</u>		155,600

Agricultural rehabilitation operations

32. The purpose of emergency food aid so far approved for Equatorial Guinea is to gain time to formulate a longer-term feeding programme under economic and social development schemes.

33. Early this year, the Director-General of FAO approved \$20,000 for emergency assistance to increase food production in Equatorial Guinea. The project supplies: potato seeds, 500 kg; maize seeds, 40 kg; selected vegetable seed, 30 kg; chicken feed, 16 metric tons; day-old chicks, 5,000.

34. A number of project ideas are presently under consideration for assistance under FAO's Technical Co-operation Programme, and Special Relief Operations. These include preparatory assistance for rehabilitation of the poultry hatcheries of Basile, a visit by a Consultant to assist the Government in organizing an Agricultural Planning Seminar and assistance to small cocoa producers' co-operatives.

World Health Organization

35. WHO activities concerning humanitarian assistance to Equatorial Guinea carried out since October 1979 include general consultant missions concerned with household

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hygiene, epidemiology and an expanded programme of immunization. In addition, the following vaccines, medical and other supplies have or will be provided: 25,000 doses measles vaccine, 100,000 doses tuberculosis (BCG), 130,000 doses diphtheria, whooping-cough and tetanus, 50,000 doses diphtheria and tetanus and 85,000 doses anti-polio vaccines; two land-cruisers, 10 kerosene-operated deep freezers of 155-litre capacity, 10 cold boxes of 28-litre capacity, 30 vaccine carriers, 10 icepack boxes, 100 thermometers, 30,000 5-ml syringes, 8,000 2-ml syringes, needles for syringes.

IV. ECONOMY AND INFRASTRUCTURE

36. The mission which visited Equatorial Guinea in July 1980 found that there was an almost complete absence of documented economic and financial information relating to the period between the country's accession to independence in 1968 and the fall of the previous régime in August 1979. For the most part, the Government was able to provide the mission with only an oral description of economic conditions and developments in the country during this period.

37. However, beginning 3 August 1979, the new Administration re-established economic, statistical, and banking services and all of the economic information produced in this report relating to periods after that date were obtained from these sources.

38. To present in this report a quantified description of economic developments in Equatorial Guinea in the period from 1968 to 1979 and put the present economic and financial situation in perspective, the mission has drawn on a variety of external sources. The Government had indicated its acceptance of these data, a few on a provisional basis pending further study. With this caveat, the mission finds the data wholly consistent with the Government's oral description of the collapse of the Equatorial Guinean economy under the previous régime.

A. Economy and finance

1. Background

39. At the time of independence the economy of Equatorial Guinea was based primarily on agricultural production and export, and particularly on the production and export of cocoa, coffee and timber. There was also some export of palm oil and its by-products. In 1968, Equatorial Guinea exported 40,000 tonnes of cocoa, accounting for about three fifths of the country's total export earnings and 3.8 per cent of world exports of cocoa. Coffee production amounted to 8,500 tonnes and represented 17 per cent of export earnings in 1968. The annual production of timber in the years prior to independence ranged from 35,000 to 400,000 cubic metres and earnings from timber exports constituted 15 per cent of total export earnings in 1968. Export of palm oil and its by-products accounted for 2 per cent of Equatorial Guinea's export earnings in that year.

40. There was a serious decline in cocoa production after 1970 as a result of the policies pursued by the Macías régime, the exodus of Spanish expatriates, the large-scale departure of Nigerian contract workers, the flight of nationals, including many trained personnel, into neighbouring countries, and the general collapse of effective administration in the cocoa plantations. This is evidenced in the following production series:

Cocoa production, 1968-1979

(in thousand tonnes)

<u>1968 a/</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
36.4	27.4	28.3	18.3	11.8	14.8	12.6	10.5	5.0	6.3	8.0	4.5

a/ Crop year beginning year indicated.

41. In a similar fashion, production of other export items slumped during the 1970s to a fraction of their pre-independence levels.

42. The fall in export earnings, accompanied by severe restriction on imports, led to a contraction of activity in other sectors. The economy, which experienced a growth rate of over 10 per cent per annum in the period 1962-1966, went into sharp decline in the 1970s. Government revenue contracted, and, after 1975, civil servants went unpaid and most public services ceased to function.

43. Such was the economic situation inherited by the new Government when it took office on 3 August 1979.

44. The mission which visited Equatorial Guinea in July and August 1980 found that the Government had instituted a number of measures designed to extricate the country from the economic disorder and administrative chaos which had engulfed it. These measures aim at promoting financial stability and economic growth and improving the living standards of the population.

45. The new Government has recognized the need for a sound administration to carry out its programmes. By the budget decree of 22 April 1980, allowance is made for a civil service of about 3,000 and the minimum monthly salary of a civil servant was raised from 4,500 ekueles a/ to 7,500 ekueles.

a/ The unit of currency in Equatorial Guinea is the ekuele. By Government decree of 21 June 1980 the official parity of the ekuele was established at 1 ekuele = 0.006347 grams of fine gold or 2 ekueles = 1 Spanish peseta. Prior to that date, the ekuele had been at par with the Spanish peseta. At the time of the mission's visit (28 July to 6 August 1980) the exchange rate of the ekuele against the United States dollar was 140 ekueles = \$US 1.00.

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46. Minimum wages have also been instituted in other sectors of the economy. By decree of 22 January 1980, the minimum wage for agricultural, livestock and forestry workers was set at 7,000 ekueles per month, or 5,000 ekueles plus food and board; in other branches of production the minimum wage was set at 6,300 ekueles per month. Minimum scales were also set for categories of professional workers.

A measure of the progress achieved in rehabilitating the administration, which was destroyed by the previous régime, is the ability of the Government to undertake a budget and provide up-to-date estimates of revenue, expenditures, balance of payments and official foreign reserves for the year 1980.

2. Economic stabilization programme

47. Under an agreement reached with the International Monetary Fund in June 1980, the Government of Equatorial Guinea will carry out a comprehensive programme of economic stabilization. A foremost priority under the programme will be the stimulation of domestic production, especially in agriculture and the fisheries. Towards this end, the Government will endeavour to create the necessary incentives and climate.

48. The Government will also take steps to mobilize the manpower necessary to support the planned expansion of domestic production. Internal and external trade is to be liberalized. In order to encourage the production of cocoa and coffee, the Government will guarantee a minimum purchase price for the 1980/81 crop. The price will be modified in the light of world prices for these products.

49. It is recognized that, in the short term, the liberalization programme will create a strain on the balance of payments. To finance an increased volume of imports in 1980, the Government plans to draw on some of its foreign exchange reserves and on financing available from IMF. It is hoped that earnings from cocoa exports will increase substantially in the near future as rehabilitation of the cocoa industry takes effect. In the meantime, however, the Government would welcome from the international community balance-of-payments support in the form of grants and soft loans, and food assistance.

50. Inherent in the economic programme is the Government's recognition of the importance of fiscal balance and monetary stability. A currency devaluation was carried out in June 1980 and the expected increase in available goods as the result of import relaxation is expected to counter the past tendency towards rapid price increases. The programme aims at budgetary balance, and success in this area was achieved for the first half of 1980.

3. Current economic situation

51. The Government supplied the mission with information on its current economic and financial situation.

Budget

52. The domestic budget for 1980 approved on 22 April 1980 projected a total expenditure of 2,025,039,000 ekueles and income of 1,951,050,000 ekueles, resulting in a deficit of 73,989,000 ekueles, or 3.79 per cent of total revenues (see table 1). Salaries of the civil service account for two thirds of projected total Government expenditures. Revenues accrue primarily from import and export duties.

53. Since the budget, which included increases in civil service salaries, went into effect only in April 1980, actual expenditures in calendar year 1980 are expected to be somewhat lower than projected. Actual Government revenues in 1980 and the deficit are also expected to be less than projected.

54. The Government provided the mission with the actual out-turn of Government revenues and expenditures for the first half of 1980. These are shown in table 2.

55. The Government informed the mission that a two-year plan for capital investment in 1981-1982 was under preparation and was expected to be available before the end of 1980. Since it is most unlikely that any surplus will be generated from the recurrent budget, the Government will look to donor countries, and international organizations and financial institutions to assist in the financing of its investment programme.

56. A further budgetary consideration is that, in the short term, the Government might find it difficult to generate from the domestic economy the revenue necessary to meet the increase in recurrent costs which would be associated with a programme of economic and social development, especially while undertaking its trade liberalization and production incentives programme. This consideration might, for the immediate future, restrict the Government's ability to implement a development programme, unless external financial assistance can be secured. During this difficult period, therefore, the international community might wish to offer the Government of Equatorial Guinea the budgetary support which would enable it to carry out a development programme. For the same consideration, donor countries and agencies might wish, for an initial period, to finance, in whole or in part, the local costs of projects recommended by the mission for inclusion in the special economic assistance programme, as well as capital costs.

Table 1

Projected domestic budget, 1980

<u>Ordinary revenue</u>	<u>(in 000 ekueles)</u>	
Assets and services	44 050	
Customs duties and taxes of which:	1 580 000	
Export duties	(151 000)	
Import duties	(1 229 000)	
Taxes	(200 000)	
Other	27 000	
Total ordinary revenue	1 651 050	
<u>Extraordinary revenue</u>		
Sale of state goods	300 000	
Total revenue	1 951 050	
<u>Expenditures</u>		<u>Per cent distribution</u>
Salaries	1 355 365	66
Material	419 174	21
Investments	175 500	9
Transfers	74 600	4
Payments arrears	400	-
Total expenditures	2 025 039	100

Table 2

Budget out-turn, January-June 1980

<u>Revenues</u>	(in 000 ekueles)
Tariffs and taxes	429,298
Extraordinary revenue from transfers	774,947
Total revenues	<u>1,204,245</u>
<u>Expenditures</u>	
Ordinary budget	556,797
Non-budgetary	600,000
Total expenditures	<u>1,166,797</u>

Balance of payments

57. In the years prior to independence, Equatorial Guinea's balance of payments regularly showed a surplus on the merchandise account and a deficit in other current transactions. Available data indicate that in 1972 and 1973 the balance on merchandise trade turned negative as earnings from cocoa and other crop exports slumped. Beginning in 1973, imports were reduced to levels drastically below those of the period from 1970 to 1972 (see table 3).

58. In 1980, imports are expected to rise substantially, in association with Government policy of liberalizing external trade and providing the incentives and support necessary for the planned increase in domestic production and economic activity generally. Until such time as exports recover, deficits can be expected in Equatorial Guinea's balance of payments. Support from the international community in the form of grants or soft loans is essential in the immediate future for the country's development. For 1980, a deficit of \$24.5 million is expected on the trade account, and a negative balance of \$26.0 million is anticipated on over-all current account. With the inclusion of non-monetary grants of \$3 million, the basic balance is expected to be in deficit by \$23 million. The deficit is to be covered for the most part by drawing on various types of financing available from the International Monetary Fund and in part by a drawing down of the country's foreign exchange reserves (see table 4).

59. The Government provided the mission with preliminary estimates of the external current account for the period from January to June 1980. These are shown in table 5.

Table 3
Merchandise trade 1970-1980

	<u>Exports</u> (f.o.b.)	<u>Imports (c.i.f.)</u> (in millions of United States dollars)	<u>Merchandise trade</u> (net)
1970	24.83	23.76	1.07
1971	28.35	27.86	0.49
1972	19.22	26.59	-7.37
1973	19.09	26.67	-1.58
1974	33.90	15.22	18.68
1975	26.46	16.76	9.70
1976	9.83	4.28	5.55
1977	14.33	9.53	4.80
1978	17.32	9.29	8.03
1979 <u>a/</u>
1980 (projection)	14.50	39.00	-24.50

a/ Date not available.

Table 4

Projected balance of payments, 1980

	1980 (in millions of United States dollars)
Exports	14.5
Cocoa	(11.2)
Wood	(2.8)
Coffee	(0.5)
Imports	39.0
<u>Trade balance</u>	-24.5
Net transfers	-
Net income	-1.5
Current income	(3.5)
of which interest	(1.0)
Current payments	-(5.0)
<u>Current balance</u>	-26.0
Net non-monetary capital flows	3.0
Grants	(3.0)
<u>Basic balance</u>	-23.0
Allocation of Special Drawing Rights	1.3
Trust Fund	6.5
Errors and omissions	-
<u> Total balance</u>	-15.2
Net exchange reserves	15.2
IMF Compensatory Financing Facility	6.5
First credit tranche, IMF	3.3
Others, including own reserves	5.4

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Table 5

External current account, January-June 1980 a/

	(In thousands of United States dollars)
Exports	11 048
Cocoa	(10 706)
Wood	(184)
Coffee	(158)
Imports	12 110
<u>Trade balance</u>	-1 062
Net transfers	-
Net income	-7 123
Current income	(1 377)
Current payments	(-8 500)
<u>Balance on current account</u>	-8 185

a/ Preliminary estimates.

Official reserves

60. The Government informed the mission that as at 15 February 1980 official reserves amounted to \$14.1 million. Details are shown in table 6.

Table 6

Official reserves

	<u>Year-end 1979</u>	<u>15 February 1980</u>
	(In millions of United States dollars)	
Foreign assets (net)	14.5	14.1
Foreign assets	19.5	20.0
Correspondent banks	(18.3)	(17.4)
Foreign notes	(0.1)	(0.1)
SDR holdings	(0.9)	(2.3)
Reserve tranche IMF	(0.2)	(0.2)
Foreign debts	5.0	5.9
Payment agreements	(5.0)	(5.0)
Accounts in convertible ekueles	-	(0.9)
Credit lines	-	-

External debt

61. The amount of Equatorial Guinea's foreign debt obligations as at 15 February 1980 was reported to the mission as \$27.4 million. Debt servicing arrangements had been reached on \$22.4 million. Payments on this amount are scheduled as follows:

	<u>External debt payments</u>				
<u>Total debt as at</u> <u>15 February 1980</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
(In millions of United States dollars)	(In millions of United States dollars)				
27.4					
of which (22.4)	0.5	1.4	2.4	2.4	2.3

Foreign investment

62. In promulgating the Law of Foreign Capital Investment of 17 November 1979, the new Government of Equatorial Guinea recognized the country's need for foreign capital resources. Under the law, foreigners and Guineans resident abroad may invest in various sectors of the economy, including the agricultural and forestry sectors. Investment in the mining industry and in the exploration and exploitation of hydrocarbons is to be the subject of separate legislation.

63. Under the law, economic activities are classified into three categories: those of national interest; those of preferred interest; and agricultural, commercial or service activities not qualifying for either of the first two categories. Capital, amortization, and profits may be repatriated after payment of a tax, at a rate in accordance with the category to which the activity belongs. The authority to approve foreign investments rests with the Presidency.

Savings and credit

64. In recognition of the need to mobilize domestic savings and expand the availability of credit within the country, the Government has expanded the banking system. Three banks are now functioning in Equatorial Guinea. The Bank of Equatorial Guinea is the bank of issue. The Bank of Credit and Development, with capital funding from the Government, extends credit at commercial rates of interest to the agricultural, industrial and commercial sectors. The head office is located in Malabo and there is a branch in Bata. The Guinextebank, a joint banking undertaking between the Bank of Equatorial Guinea and the Banco Exterior de Espana, began operations in March 1980 with initial capital of \$1 million, equally shared by the two funding banks.

65. The Government informed the mission that it would like to establish an Agricultural Development Bank with a view to mobilizing the savings of rural communities, which constitute 75 per cent of the population, as well as to facilitate the extension of low-cost credits for agricultural development. To establish the bank, the Government would welcome assistance from the international community in the form of initial working capital and appropriate technical assistance.

Prospects for economic reconstruction

66. By adopting appropriate economic, fiscal, financial, and administrative measures and given the country's rich and varied natural resources, the Government of Equatorial Guinea hopes to set the economy on a path of national reconstruction and rehabilitation. Taking into account its consultations with the Government and several expert observers, the mission is of the view that the economy of Equatorial Guinea could reach, within 5 to 6 years, the level it had achieved on independence, if certain conditions were fulfilled. The conditions necessary for this are political stability, rehabilitation of the infrastructure, adequate inflows of capital on a grant or soft-loan basis, sufficient manpower, and the necessary quantity of appropriate technical assistance.

67. The mission wishes to draw particular attention to the very serious constraint of manpower which will confront the Government in its efforts to reconstruct the economy of Equatorial Guinea. This constraint will persist until the revised educational system can produce trained people. As already described, many of the trained and professional people were either put to death or fled the country under the previous régime. For this reason, the Government is giving priority to training, especially at the higher levels, and the support of the international community in this area will be very constructive to the rehabilitation of the country.

68. In the meantime, the Government realizes that it will have to rely on expatriate technical assistance not only for its schools and hospitals, but also for technical, administrative, managerial and professional skills in most sectors of the economic and social life of the country.

69. It is evident that the support of the international community, in many areas, will be crucial to the reconstruction of the economy of Equatorial Guinea. A general indication of the level of social and economic development of Equatorial Guinea about the time of its accession to independence, in so far as data are available, is provided in table 7.

Table 7
Selected indicators of development
Equatorial Guinea, 1965-1971

<u>Population and labour</u>	<u>Number of persons</u>
Population (mid-1970)	300 000 estimate
of which Río Muni	(210 000)
Bioko	(90 000)
Foreign contract workers (mainly Nigerians) employed in cocoa plantations, Bioko (1970)	40 000
Employment in forestry, Río Muni (Dec. 1968) of which Nigerians	(2 310)
Government employment (1969)	3 500
<u>Income</u>	<u>United States dollars</u>
Gross domestic product (1970)	63.7 million
GDP per capita (1970)	212 (1968 dollars)
Per capita income, Bioko (1970)	350 (1968 dollars)
Per capita income, Río Muni (1970)	150 (1968 dollars)
<u>Composition of gross domestic product (1970)</u>	<u>Per cent</u>
Agriculture	39.6
Hunting, forestry, livestock and fishing	14.4
Mining	2.2
Industry	21.4
of which construction	(15.2)
Services	22.5
<u>Production</u>	
Cocoa (1968/69)	38 000 tonnes
Coffee (average 1968-1970)	7 000 tonnes
Timber (average 1965-1967)	371 000 cubic metres
Sea fish (1967)	3 134 tonnes
Sweet water fish (1967)	300 tonnes

Table 7 (continued)

<u>Merchandise trade</u>	<u>Million United States dollars</u>
Imports c.i.f. (1970)	23.8
Exports f.o.b. (1970)	24.8
of which: cocoa and cocoa products	16.4
coffee	6.0
timber	2.1
<u>Fiscal</u>	
Tax revenue (1968)	738.2 million E.G. pesetas <u>a/</u>
of which: direct	39.5 per cent
indirect taxes	52.3 per cent
<u>Transport and communications</u>	<u>Kilometers</u>
National roads (1971)	1 281
of which: asphalt	(396)
laterite	(885)
Local tracks	700
<u>Education</u>	
Primary school attendance (1968/69)	(50,000 pupils ((90+ per cent
National literacy rate (1965)	38 per cent

a/ E.G. pesetas 70 = US \$1.00.

B. Agriculture, forestry and fisheries

1. Agriculture

70. Owing to relatively favourable conditions of climate, rainfall and soil fertility, combined with the wealth of its natural resources, Equatorial Guinea has the potential of developing into a prosperous nation. Prior to independence, agriculture, including forestry and fishing, accounted for 55 per cent of the country's national product. Unfortunately, the policies of the former régime had disastrous consequences for the sector.

71. In order to overcome the negative aspects that have retarded agricultural growth and to reactivate this sector to the level of 1968-1969, two types of action are recommended:

(a) Immediate or short-term assistance in order to re-establish agricultural production to the 1968-1969 level which would show positive results in the next two to three years;

(b) Medium and long-term assistance for the purpose of preparing the country for future agricultural development.

Immediate short-term assistance required are as follows:

- (a) Rehabilitation of 40,000 to 60,000 ha. of abandoned cocoa plantations;
- (b) Rehabilitation of 20,000 ha. of abandoned coffee plantations;
- (c) Rehabilitation of 8,000 ha. of abandoned oil palm plantations;
- (d) Rehabilitation of the forestry industry.

The following medium-term and long-term assistance are required:

- (a) Vocational training in agriculture;
- (b) Creation and reinforcement of the extension service;
- (c) Establishment of fruit production plantations leading to diversification;
- (d) Establishment of a cocoa processing plant;
- (e) Re-establishment of the poultry industry and small animal husbandry.

72. Cocoa has been and still remains the main agricultural crop of the country. During the period 1967-1970, it was estimated that there were approximately 66,000 ha. under cultivation, with an annual production of about 40,000 tonnes. This production would mean a value of approximately \$80 million at the international price for cocoa prevailing in June 1980.

/...

73. Under the Government's policy of liberalizing production and trade and supporting the private sector, cocoa plantations are being returned to their previous owners be they nationals or foreigners. This will account for approximately 40,000 ha. of land. The remaining 20,000 ha. are being held on a co-operative basis by small owners.

74. About 22,000 ha. are under coffee production, and some 9,000 ha. under oil palm. There is no indicative figure on the level of production for food crops.

Food production

75. Although food crops are widely grown for subsistence, it was not possible to obtain production statistics. The main food crops are cassava, taro, bananas, peanuts and some maize.

76. Wheat flour is largely used by the urban population and to a certain degree by the rural population, although conditions are not suitable for wheat production. To minimize the importation of this product (estimated at a value of \$300,000 for 1980), encouragement should be given to the cultivation of maize as a substitute.

77. Household poultry, rabbits, goats and other small animals could well serve as a basic protein element in the family diet, and they could be produced in the household at relatively low cost.

78. The Government has requested EEC assistance in all aspects of food production. An agreement has been reached in which EEC will cover this specialized sector in all its relevant fields, that is, seed production, research activities, credit facilities, marketing and storage, etc. In view of this agreement, the Government has decided not to request further international assistance in this sector for the time being.

2. Forestry

79. During the years preceding independence, the extraction and export of 350,000 to 400,000 cubic metres of commercial wood per annum represented the most important economic activity in the mainland province of Río Muni. In 1967, timber represented 15 per cent of the country's total export earnings. After independence, production dropped sharply to as little as 5,000 cubic metres per annum.

80. Approximately 1,200,000 hectares of tropical high forests in Río Muni remain untouched. Only 450,000 ha. have so far been granted in concessions. Production in 1980 is expected to reach 15,000 cu. m. This volume may, in future, be expanded to an annual volume of 1,000,000 cu. m. for a period of 10 years if the existing concessions become fully operational. Thereafter, the same volume can possibly be extracted from the remaining forests in the south-east during another period of 10 years.

81. These figures might be exceeded considerably if a larger proportion of lesser-known species can be used for export and local consumption. This in turn requires an increase in local timber transportation and processing.

82. Among the commercially exploitable trees, Okoume is the most important species with a share of about 20 per cent of the total production. Okoume regenerates relatively easily and attains high growth rates. The Government plans, therefore, to re-establish 100,000 ha. of formerly cut-over forests in the south-west predominantly with Okoume, through appropriate silvicultural methods. Production within this sector could initially yield about 50,000 cu. m. per annum. If developed to full potential, this volume could gradually be increased to a sustained annual level of production on the order of 1,000,000 cu. m. by the year 2020, 70 per cent of which would be Okoume.

83. In the pre-independence period, forest exploitation provided employment for about 4,000 workers, half of whom were Nigerians. It is expected that this amount of labour, even with increased production, will not be required in future because of the probable use of advanced mechanization for tree-felling and transport. In 1968, one worker was needed for the production of 100 cu. m. of timber per annum. With mechanization, the corresponding figure today is estimated to be around 500 cu. m.

84. On the other hand, labour demand for timber conversion and wood processing which, in 1968 was on the order of 300 persons may well increase, should a larger proportion of wood be converted and processed in the country. (Among other things, the manufacture of low-cost timber constructed houses for the local population was envisaged.)

85. The reconstruction and development of forest industries demand considerable foreign investments in roads, machines and industrial installations. Because of the high quality of the wood and its quantity, there should be no difficulty in attracting the necessary investments if the political situation further stabilizes.

86. There is an urgent need for qualified national forestry personnel at all levels in order to control forest exploitation and to establish an efficient reforestation programme. Forestry projects will be identified and elaborated in detail by an FAO forestry mission, scheduled for later this year. A preliminary list of urgent projects was drawn up by the mission in consultation with the local forest service.

3. Fisheries

87. The Gulf of Guinea is known for its abundant fish resources. Furthermore, Río Muni offers good opportunities for river fishing. At the time of independence, about 90 per cent of the protein consumption of Bioko and 80 per cent of the protein consumption of Río Muni consisted of fish. According to studies, the total catch of sea fish in 1967 in Equatorial Guinea was about 3,434 tonnes. Of this

amount, 2,000 tonnes were produced by traditional artisan methods and 1,134 tons by modern methods. Imports of fish in 1967 amounted to 10,000 tons.

88. During the 1970s traditional fishing came practically to a standstill. It is the intention of the new Government to revive all forms of the fishing industry, the potential of which is believed to be much greater than past production levels. With technical assistance and modern equipment, the Government hopes to direct the industry along channels which would serve to meet a large part of the protein needs of the country, generate local income and support a substantial export industry.

89. The mission was informed that the Government of Equatorial Guinea had already entered into discussions with the Government of Spain with regard to the exploitation of deep-sea fishing. The development of coastal fisheries will be undertaken in co-operation with EEC, which will concentrate on the promotion of traditional fishing. The EEC programme foresees the provision of experts for the training of local fishermen, and the provision of equipment (outboard motors, nets and small boats). It also envisages the building of a small shipyard to produce prototypes of local boats to determine the one most suited to the needs of the local fishermen.

90. The Government of France has also made an offer of assistance in the area of traditional fishing.

91. With regard to inland fisheries, UNDP will fund a project to develop river fisheries and establish fishery breeding grounds, especially in the province of Río Muni.

92. In view of these developments, the Government informed the mission that it did not require any further international assistance in this sector for the time being.

C. Transport and public works

93. As in the case of other sectors, the quality of transport and communications deteriorated rapidly in the period between independence and August 1979.

Road network

94. At present, there are 1,326 kilometres of national and secondary roads and over 1,300 kilometres of local tracks of different categories, which serve the forest concessions and the agricultural plantation. There are no railroads in Equatorial Guinea. The following table presents the theoretical service category of national and secondary road distribution (in kilometres):

	<u>Asphalt</u>	<u>Laterite</u>	<u>Total</u>
Island Bioko	178	-	178
Mainland Río Muni	330	818	1,148
Total per category	508	818	1,326

95. Formerly, a district brigade system was responsible for regular maintenance of these facilities. Unfortunately, the brigade was disbanded in 1975, resulting in the discontinuation of maintenance and repairs with disastrous consequences for the road communication system. The roads on the island of Bioko all require extensive repair. The asphalt and laterite roads on the mainland are in an even worse condition. Most laterite roads are impassable during the rainy season. The deterioration of the road network greatly contributes to excessive wear and tear of motor transport and the frequent breakdown of vehicles.

1. Maritime transport

96. The main ports are Malabo and Bata. A total lack of maintenance and repair of the facilities has reduced port traffic capacity by approximately 75 per cent. Thirty per cent of the quays in the port of Malabo are unusable because of structural collapse. Presently, because of the small volume of trade, ships wait a day or more for a berth. However, should traffic return to normal (the forecasted export tonnage of cocoa for Malabo in 1980 is between 7,000 and 12,000 tons), considerable delays and additional expenses to port users will occur, unless urgent rehabilitation and management schemes are implemented.

97. Mismanagement during the past decade has contributed to an accumulation of obstacles preventing normal operations (such as the absence of equipment, disrepair of storage sheds, absence of electricity and water, congestion of open storage areas and quay aprons due to lack of cleaning and maintenance). Inadequate management and controls have led to serious security problems. In spite of its recent construction the superstructure of the port of Bata is already out of order. There is a chronic lack of port equipment. Broken defence fenders along the quay often cause damage to ships; distribution of electricity and water is no longer possible and cold storage facilities are unserviceable.

98. At Annobon, the open sea wharf, which was constructed in 1970, has completely collapsed, due to erosion and possibly faulty design.

99. Other small commercial ports include Mbini, Cogo and Luba. They were mainly used as fishing ports and for direct specialized exports such as lumber, cocoa and coffee from small local hinterlands, as well as for imports. Their installations suffered the same fate as the rest of the transport sector's assets and at present resemble ghost ports.

100. The Government owns a mixed cargo vessel of 5,000 tons which plies between Malabo and Bata, although it is better suited to high-sea trade. For that reason, the Government has ordered a 700 ton front-ramp roll-on/roll-off ferry with a capacity of 700 passengers and 10 small vehicles. This ferry will be in inter-island-mainland service in September 1981. The mission was informed that private vessels, which included all fishing craft, were destroyed by the former Government to prevent the population from fleeing the country.

2. Air transport

101. Civil aviation continues to be a principal mode of transport between the island and the mainland (Malabo-Bata).

102. The mission observed that the main administrative and technical services including data collection and analysis, and planning had suffered from neglect and total disruption. Trained administrative and technical staff at all levels, from command to execution, is desperately lacking. No comprehensive archives exist on major transport and infrastructure functions. It is recommended that the State Authority in the transport sector be immediately re-established to reorganize and implement basic functions such as licensing, organizing of urgent infrastructure and superstructure repairs, and transport management.

103. The mission observed the present inadequate size of both passenger and cargo/customs facilities in Malabo. It also noted that the runway in Bata has reached a dangerous state of disrepair. Although Malabo is at present receiving aircraft ranging from small private passenger craft to DC-8s, the mission observed that the cargo customs facilities as well as the passenger facilities in the terminal are inadequate.

104. With regard to the Bata airport, the runway has reached a dangerous state of disrepair - no security margin for taxiways, no visual aids, an unreliable radio communications system, no kerosene storage facility, an inadequate parking apron and passenger and cargo facilities. The runway cannot receive any jet of a capacity higher than a YAK 40 (LAGE) and, therefore, is restricted to turbo-prop craft. The safety situation of Bata airport leaves much to be desired.

3. Prospects for development

105. Although a basic transport infrastructure exists, its potential has been seriously impaired through neglect, inadequate management and lack of maintenance. Urgent attention should be given to management training of staff and the collection of traffic data. In the first instance, it is recommended that international assistance should be given to help Equatorial Guinea restore transport facilities to the level existing on independence. If this is not done, the facilities will be unable to cope with increasing transport demands as they begin to manifest themselves with the recovery of the economy.

V. SOCIAL SITUATION

A. Health

1. Conditions prevailing in October 1979

106. The United Nations mission which visited Equatorial Guinea in October 1979 was particularly concerned over the state of the health services. Hospitals and dispensaries had either been abandoned or were operating under adverse conditions and at a most unsatisfactory level of efficiency. They lacked medicines and essential furnishings and equipment, and the majority were without water and electricity. No arrangements existed for the feeding of patients and there was no provision for patients to receive the ordinary comforts normally expected in health institutions. Moreover, there was an acute shortage of trained staff because of the departure from Equatorial Guinea over the preceding 10 years of most of the country's professional and technical health personnel.

2. Situation as at August 1980

107. There is still a critical professional gap in the health sector, a condition which, even in the best of circumstances, might be ameliorated only in about five years' time when intensified medical and nurse training programmes begin to provide professionals for the country. It was the Government's view that, for the next few years, Equatorial Guinea will have to depend on expatriate professional health staff provided through bilateral programmes, religious groups and charitable organizations.

108. The new Administration wishes to embark on a broad health programme as soon as possible and, in this connexion, hopes to enlist the assistance and co-operation of the international community.

109. High among the Government's priorities is the re-establishment of basic health services in the urban centres of Malabo and Bata and the restoration of services of hospitals in the interior. Initial action in this direction has already been taken by the Government with the assistance of trained medical personnel and medicines provided by Spain, China, Cuba and from religious groups, charitable organizations, and international agencies.

110. Another priority is an immunization programme. On taking office, the new Government initiated a programme of immunization primarily for young children and pregnant women. However, owing to the absence of refrigerators for the vaccines, lack of transport, inadequate planning and organization and a shortage of trained personnel, the programme was not able to make any appreciable progress. The Government intends to renew its efforts in this direction.

111. Linked to this programme is the Government's decision to assign high priority to health services in the field of mother and child care. It is hoped to make

progress in this direction through a system of efficient rural dispensaries linked to hospitals in the main districts. The programme will involve reopening and re-equipping 15 dispensaries located on the island of Bioko, 12 on the mainland and one on the island of Annobon.

112. Assistance for the reopening of rural dispensaries would also contribute to the restoration of basic health services to the rural population. The Government hopes, when resources permit, to set up 98 dispensaries throughout the country. These additional units would be constructed through community self-help schemes, with assistance from the international community in the form of essential building materials and equipment. In the view of the mission, these dispensaries are not only pivotal to any health programme in the rural areas, but indispensable for an effective programme of immunization.

113. During a visit to the mainland, the mission inspected the rural "hospital" at Niefang. It was concerned to find that the hospital consisted of an old, run-down building without sanitary facilities, water or electric power. The roof of the wards was in a state of collapse and there were only a few rusted bed frames without mattresses or bed covers to accommodate the patients. The hospital had no food for patients. The few patients who were being treated were required to provide their own food. The room used for surgery and maternity cases was totally inadequate and devoid of essential equipment. The mission was informed by the WHO programme co-ordinator that conditions in the hospital were characteristic of the majority of dispensaries and hospitals which he had visited in the rural areas.

114. The absence of potable water supplies in the rural and urban centres constitutes a serious health hazard to the community. Following independence, existing water facilities were neglected, resulting in the widespread incidence of water-borne diseases, such as typhoid, cholera and gastro-intestinal diseases. The Government hopes that it will be possible for the water problem to be dealt with promptly through an effective programme of assistance under the auspices of UNICEF. Malaria continues to be endemic throughout the country, with a heavy toll on life. The Health Ministry believes that practically all of the population suffers from this disease. There is an acute shortage of anti-malarial tablets and steps have yet to be taken to establish a programme of malaria prevention and control.

115. The mission's attention was also drawn to other urgent health problems such as leprosy, yaws, trypanosomiasis (sleeping sickness), onchocerciasis, tuberculosis and nutrition-related diseases.

116. In view of the size and complexity of the problems in the health sector, the mission considers it advisable that the Government establish a unit in the Ministry to ensure the effective planning, co-ordination, implementation and monitoring of the health programme. Expert guidance in this regard could be provided by WHO.

117. In view of the seriousness of the health situation in the country, the mission considers that an immediate, comprehensive programme is basic to the resolution of some of the country's urgent health problems. It is also a prerequisite for

carrying out a medium- and long-term programme of health care. Details of the programme, based on discussions with the Government, are given in the addendum to the present report.

B. Education

1. Background

118. Until independence in 1968, the educational system of Equatorial Guinea was based on the Spanish system and conducted in accordance with Spanish laws. During the first year of independence some laws continued to be applied, but the system soon deteriorated. The Spanish education laws were not implemented and no alternative regulations emanated from the former Guinean Administration. When the new Government took over, it reintroduced the Spanish laws. Significantly, the country has yet to introduce educational regulations and curricula designed for its own particular needs.

119. Like other social sectors, the educational system of Equatorial Guinea had suffered considerable damage during the previous régime. At the time the Government took over in August 1979, the Ministry of Education had not functioned for several years and the educational structure was virtually destroyed.

120. The teachers had not been paid for a number of years, and many of them had fled the country. The schools were in a dilapidated state and many of them needed to be reconstructed. Practically all equipment and furniture had been removed from the schools. The educational system had to be recreated.

2. Actions taken by the Government

121. Since assuming power, the new Government has taken steps to re-establish the educational system. A law which will provide for a new educational structure is under preparation.

122. At the end of the academic year 1979-1980, 44,000 pupils were enrolled in primary education, 2,729 in general secondary education, 442 in the vocational school, 252 in the school of administration and 40 in the teachers' training college. However, most schools are still unable to offer the minimum requirements for learning, i.e., trained teachers, buildings, pedagogical equipment and furniture.

123. The Government has sought international assistance for the reorganization of the Ministry of Education, for secondary and vocational education, teacher training and the building and repairing of some of the schools. Some assistance in these areas has been provided by bilateral, as well as multilateral agencies, but much more is required.

3. Needs

(a) Primary education

124. Primary education is intended for children between the ages of six and 14 years (eight grades). However, to be admitted to the first year of primary education, the child has to have a rudimentary knowledge of reading and writing. Thus, the children are obliged to spend one or two years in the preparatory courses before being admitted to the first grade of primary education. Of the 44,000 pupils enrolled in primary education, 23,000 are at present following the preparatory courses and only 21,000 are enrolled in grades one to eight. Moreover, very few pupils are enrolled in grades six, seven and eight. Of the 770 teachers in primary education, only 62 are qualified to teach all eight grades of primary education, and 190 are qualified to teach the first four grades. The remaining 518 have no teaching qualifications whatsoever. Moreover, the curricula of primary education are based on the Spanish curricula and have little relation to the needs of the country.

(b) General secondary education

125. General secondary education lasts for seven years, and it is divided into three cycles.

126. Students wishing to enter the first cycle, of four years duration, are required to have completed four years of primary education and to have passed an entrance examination. Under a new draft education law, it is proposed to suppress this first cycle of secondary education and to replace it by a common trunk of primary education of eight years duration.

127. The second cycle of secondary education, of two years duration, leads to the general certificate of secondary education (Bachillerato Superior). No institution exists in the country to train teachers for this cycle and most of the teachers for this level are expatriates.

128. The third cycle, of one year duration, is intended to prepare pupils for entry to foreign universities.

(c) School of Administration

129. The School of Administration (Escuela Superior Martin Luther King) is intended to train civil servants and teachers for the first four years of primary education. It comprises a first cycle of three years duration, common to future teachers and administrators, and a second cycle of two years, specializing in either teacher training or administration.

130. Under the draft education law the teacher training branch would be eliminated and the administration branch would be upgraded to university level as the School

of Public Administration. To be admitted to the School of Public Administration, it will be necessary to have passed the top two cycles of secondary education.

131. The draft law of education also plans to create a special course for business management, for which pupils would be eligible after eight years of primary education. The duration of the studies would be three years and, with one supplementary year, the students could enter the School of Public Administration.

132. The present buildings of the School of Administration are in extremely poor condition and need to be entirely rebuilt.

(d) Teacher Training College in Bata

133. The present requirement to enter the Teacher Training College in Bata is to have completed all three cycles of secondary education. The duration of the studies is three years. In the academic year 1979-1980, there were 40 students enrolled in the first grade and none in grades two and three. All teachers, with the exception of the Director, are of Spanish nationality.

134. There is an urgent need to train teachers for the Teacher Training College.

(e) Vocational training

135. See section D of the addendum to the present report relating to employment and labour.

(f) Higher education

136. There is at present no university in Equatorial Guinea. However, the National Distance University of Spain intends to start some courses by correspondence, which will be the same as those given in Spain.

137. There is a need to start to develop institutions of higher learning, especially for the training of teachers for secondary schools and for administration. In the long run, such institutions could constitute the nucleus for the creation of a Guinean university.

C. Housing

138. During the colonial period, the few houses that were built in Malabo, Bata and the rural centres were for the accommodation of the Spanish colonial officials or for the more affluent members of the settler and local community. Many are in a ruined state because of age, neglect or abandonment. Their rehabilitation would be costly and, in some cases, uneconomic. In addition, there is need to promote the construction of low-cost housing in urban and rural areas.

139. The new Government is faced with the urgent need to provide accommodation for government personnel and international technical assistance personnel. To meet the

situation, the Government requires international assistance to provide a medium- and low-cost housing programme, with rentals commensurate with the means of the individual groups. The Government hopes it will be possible to design houses which will utilize to the fullest extent the country's rich timber resources and other local materials.

140. The creation of a semi-autonomous body is envisaged to carry out the programme. Funding could be in the form of grants or low-cost loans from bilateral donors and international organizations and financial institutions. Tenants would pay an economic rent, sufficient to cover loan service and maintenance and including a margin to allow the fund to expand its activities.

141. The mission wholeheartedly endorses the programme, particularly as the acute housing shortage severely retards the recruitment of technical assistance vital to the country's rehabilitation and reconstruction. The Government would welcome the opportunity of discussing this matter further with the representative of the United Nations Centre for Human Settlements.

142. Another way of alleviating the problem would be if donors themselves included a housing component in their project assistance. Some donors, including Spain, EEC and UNDP, have already made such provision in their assistance programmes. For the information of prospective donors, the present cost of medium-cost housing construction approximates \$553 per square metre.

VI. FOOD ASSISTANCE REQUIREMENTS

143. The Government informed the mission that, because of inadequate domestic production and an acute shortage of financial resources, the country is in urgent need of food assistance. Although Spain has provided Equatorial Guinea with very substantial food aid since August 1979, additional assistance is required to meet the needs of vulnerable groups, displaced persons, food-for-work programmes, and balance-of-payments support. The mission strongly supports the Government's request for assistance in all these areas.

A. Assistance to vulnerable groups

144. Donations of food are urgently required for vulnerable groups within the country. Donated food would be applied to the following humanitarian programmes: (a) hospital in-patient feeding, including food assistance to the country's leprosarium at Micomeseng in Río Muni; (b) supplemental feeding for nursing mothers and infants; (c) pre-school feeding programme; (d) school feeding programme.

145. The World Food Programme (WFP) has already initiated a programme of assistance to vulnerable groups in Equatorial Guinea. A WFP officer has been posted in the country and is presently organizing the distribution of 900 tonnes of food (valued at \$500,000) which arrived in August 1980. This assistance is intended to meet the food needs of 21,000 persons for a period of six months. In view of the distance and time factor, as well as problems of distribution, the mission recommends that the Government submit a further request for a medium-term food assistance project for these vulnerable groups as soon as possible so that there will be no interruption in the programme.

146. For the distribution of food to schools and its preparation, the following logistical support is required: (a) rehabilitation or reconstruction of two central warehouses (one in Malabo and one in Bata) and 14 district warehouses (one in each district capital); (b) four trucks of five-tons (four-wheel drive diesel engine), one for Malabo and three for the mainland; (c) kitchen equipment and utensils in 50 school centres; and (d) rehabilitation or construction of 50 refectories.

147. The mission wishes to recommend that the refectories, kitchen equipment, warehouses and trucks be provided through UNICEF or WFP.

B. Displaced persons (within the country)

148. Assistance in kind is also required to provide for the food needs of about 12,000 persons, displaced by the former Government's policy of forced labour. The return of these people to their home areas has created problems of resettlement, particularly as the villages are experiencing food shortages and the returnees have no means of support. The Government requests a six-month food aid programme to help

it to meet the needs of the situation. The mission noted that a programme of assistance to Equatorial Guinean refugees had been approved by UNHCR but no provision has been made for the rehabilitation and resettlement of displaced persons.

149. It is recommended that displaced persons should be provided with normal WFP rations. On this basis, the following supplies, totalling 552 tonnes, would be required for a period of six months (in tonnes): wheat flour, 324; maize flour or rice, 108; dried skim milk, 60; edible oil, 60.

C. Food-for-work programme

150. The Government is anxious to embark upon a programme of rehabilitation and reconstruction of the neglected towns and villages throughout the country. Persons employed on work of this kind could be paid in part by food, thus reducing the financial cost of the programme. Specifically, the programme would, initially, be concerned with two areas: (a) the repair of village dispensaries and other rural facilities and environmental sanitation; and (b) the repair of roads in rural areas, through the revival of rural road maintenance brigades.

151. It is recommended that the WFP representative discuss this matter further with the Government so as to obtain more precise details on the number of persons likely to be involved and the work sites. On the basis of the discussions, a project proposal should be prepared and submitted to the joint FAO/WFP Committee on Food Aid Policies and Programmes.

D. Balance-of-payments support

152. By reducing the need for commercial imports, food aid should help to conserve the country's limited foreign exchange reserves, which, at their present level, are exceeded by the expected balance of payments deficit for 1980 alone. The deficit has resulted primarily from the drastically reduced level of agricultural production and exports earnings as compared with the pre-independence period. The Government would like to be able to sell food donations and use the proceeds to finance urgent development projects aimed at reducing the food deficit.

153. The Government will require food assistance for this purpose for a period of two to three years, by which time it hopes that domestic food production will have recovered to a level at which the Government can meet the cost of necessary food imports.

154. Based on food imports in the first half of 1980, the Government gave the mission the following summary of requirements, totalling 9,520 tonnes at an estimated value of \$5 million, for the 12 months beginning August 1980 (in tonnes): wheat flour, 845; rice, 6,050; beans, 645; sugar, 300; dried milk powder, 155; canned meat and fish, 975; oil, 550.

VII. PROGRAMME OF DEVELOPMENT AND ASSISTANCE REQUIRED

155. In consultation with the Government, the mission drew up a list of projects necessary to meet some of Equatorial Guinea's urgent humanitarian needs and help in the rehabilitation and reconstruction of vital sectors of the economy. Their implementation will require the financial, technical and material assistance of the international community.

156. The recommended programme has been classified under three headings: emergency humanitarian assistance; urgent rehabilitation and reconstruction projects; and medium- and long-term development projects. Table 8 of the present report summarizes the programmes, by type and by sector. Table 9 lists the individual projects recommended under each type of programme.

157. For emergency humanitarian assistance, \$2,174,000 is required for the immediate implementation of projects. In addition, food assistance is required for vulnerable groups in the country over a four-year period, to the value of \$9 million.

158. The urgent rehabilitation and reconstruction programme calls for assistance amounting to \$23,421,500. In addition, food aid to the value of \$5 million is recommended under this programme.

159. For the medium- and long-term development of the country, a programme of assistance amounting to \$19,700,000 is recommended.

160. The assistance will enable the Government of Equatorial Guinea to begin immediate work on the rehabilitation and reconstruction of infrastructure essential to the early recovery of the economy and the country's development. In some areas, this will allow capital inputs; in others, it will enable studies to be undertaken preparatory to the formulation of immediate and long-term projects.

161. The preceding chapters have described the difficult task facing the Government of Equatorial Guinea. With extremely limited financial resources and an economy which has been wrecked by years of neglect, the new Government has set itself the challenging but necessary task of rebuilding the economy to at least the level it had attained at independence, within a time-frame of five to seven years. In addition to effective planning and direction, the Government will need to mobilize the country's human and natural resources to meet the challenge. Equally important will be the financial, material and technical support of the international community.

162. In this connexion, the Government informed the mission that it intended to hold a conference of donor countries and organizations in the near future as part of its efforts to inform the international community of the country's urgent needs and to mobilize the necessary resources. The Government also stated that it would welcome the co-operation of the United Nations in the organization of such a conference.

163. The addendum to the present report contains a brief description, including cost estimates, of each project in the recommended programmes. In many cases, the Government was unable to provide detailed project material. Consequently, the mission has made tentative estimates based on preliminary project data obtained in the course of its visit. In view of the shortage of local technical staff and the paucity of data, it would be most helpful if prospective donors could provide assistance in the design, preparation and elaboration of projects to enable the formulation of detailed cost estimates.

Table 8

Summary of programmes, by sector

	Emergency humanitarian assistance programme cost in \$US	Urgent rehabilitation and reconstruction programme cost in \$US	Medium- and long-term development programme cost in \$US
A. Agriculture and forestry			
1. Agriculture		8 235 000	10 420 000
2. Forestry		100 000	560 000
B. Health	1 720 000	4 720 000	4 360 000
C. Education	454 000	5 532 000	2 075 000
D. Employment and labour		443 500	1 015 000
E. Transport and public works		4 380 000	1 270 000
F. Development of Annobon Island		11 000	a/
G. Food assistance			
1) Four-year programme for vulnerable groups	9 000 000		
2) Balance-of-payments support		5 000 000	
<u>Total</u>	11 174 000	28 421 500	19 700 000
<u>Grand total</u>		<u>\$59 295 000</u>	

a/ Project needs will be assessed on basis of report of proposed technical team.

Table 9

Summary of programmes, by project and sector

<u>Project title</u>	<u>Emergency humanitarian assistance programme cost in \$US</u>	<u>Urgent rehabilitation and reconstruction programme cost in \$US</u>	<u>Medium- and long-term development programme cost in \$US</u>
A. Agriculture and forestry			
1. Agriculture			
A-1 Rehabilitation of cash crops agricultural co-operatives		5 500 000	
A-2 Strengthening of the extension service		635 000	
A-3 Vocational training school Agriculture, animal husbandry and forestry		1 000 000	
A-4 Diversification of agriculture through establishment of fruit tree plantations on a co-operative basis			2 270 000
A-5 Establishment of small poultry farms		300 000	
A-6 Rehabilitation and development of palm oil industry			2 500 000
A-7 Cocoa storage facilities		800 000	
A-8 Cocoa processing plant			5 650 000
<u>Subtotal</u>	-	8 235 000	10 420 000
2. Forestry			
F-1 Establishment of a timber-testing laboratory		100 000	
F-2 Training of forestry personnel			560 000
<u>Subtotal</u>	-	100 000	560 000

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Table 9 (continued)

Summary of programmes, by project and sector

<u>Project title</u>	<u>Emergency humanitarian assistance programme cost in \$US</u>	<u>Urgent rehabilitation and reconstruction programme cost in \$US</u>	<u>Medium- and long-term development programme cost in \$US</u>
B. <u>Health</u>			
H-1 Urgent programme of mother and child health care	520 000		
H-2 Expanded programme of immunization	300 000		
H-3 Control of leprosy	350 000		
H-4 Establishment of a unit of epidemiology		200 000	
H-5 Training of nurses, health auxiliaries and other health personnel		800 000	
H-6 Potable water supply to the rural population		2 000 000	2 000 000
H-7 Control of malaria		300 000	
H-8 Control of trypanosomiasis (sleeping sickness)		300 000	
H-9 Urgent programme for re-equipping and rehabilitating hospitals and dispensaries	500 000	1 000 000	1 210 000
H-10 Health planning		120 000	
H-11 Establishment of a national school of nursing			1 150 000
H-12 Rehabilitation of health situation, Annobon	50 000		
<u>Subtotal</u>	1 720 000	4 720 000	4 360 000

Table 9 (continued)

Summary of programmes, by project and sector

<u>Project title</u>	<u>Emergency humanitarian assistance programme cost in \$US</u>	<u>Urgent rehabilitation and reconstruction programme cost in \$US</u>	<u>Medium- and long-term development programme cost in \$US</u>
C. <u>Education</u>			
E-1 Construction of pilot school for special education and international assistance	454 000		
E-2 Building and repair of primary schools		2 427 000	
E-3 Construction of a Teachers' Training College, Malabo		415 000	
E-4 Construction of residence, dining hall and kitchen facilities for 250 students, Malabo		835 000	
E-5 Construction of secondary school, Malabo		1 700 000	
E-6 Reinforcement of inspection of primary education through provision of transport facilities		150 000	
E-7 Printing equipment for the Ministry of Education		5 000	
E-8 Construction of new building for the headquarters of the Ministry of Education			2 000 000
E-9 Sports equipment			75 000
Subtotal	454 000	5 532 000	2 075 000

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Table 9 (continued)

Summary of programmes, by project and sector

<u>Project title</u>	<u>Emergency humanitarian assistance programme cost in \$US</u>	<u>Urgent rehabilitation and reconstruction programme cost in \$US</u>	<u>Medium- and long-term development programme cost in \$US</u>
D. <u>Employment and labour</u>			
L-1 Legal assistance in drafting international agreements for immigrant plantation and timber workers		16 500	
L-2 Bata Polytechnical Institute		100 000	
L-3 Management training for public administrators		150 000	
L-4 Vocational and management training for co-operatives		33 000	90 000
L-5 Audio-visual and office equipment for the Bata Polytechnical Institute		100 000	
L-6 Preparations for a national demographic census		5 500	
L-7 Training to upgrade medium-level officials and technicians		5 500	
L-8 Labour legislation and administration		33 000	
L-9 Manpower planning			22 000
L-10 Hygiene, social and work security legislation			33 000
L-11 Reconstruction of the School of Administration			870 000
<u>Subtotal</u>		443 500	1 015 000

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Table 9 (continued)

Summary of programmes, by project and sector

<u>Project title</u>		<u>Emergency humanitarian assistance programme cost in \$US</u>	<u>Urgent rehabilitation and reconstruction programme cost in \$US</u>	<u>Medium- and long-term development programme cost in \$US</u>
<u>E. Transport and public works</u>				
T-1	Assistance to State administration		120 000	
T-2	Two Government maintenance and repair workshops		810 000	
T-3	Rehabilitation of road maintenance brigades per district		690 000	
T-4	Bitumen road repair unit, Río Muni		890 000	
T-5	Laterite road repair unit, Río Muni		750 000	
T-6	Technical assistance for port management		60 000	
T-7	Rehabilitate the port of Bata		1 000 000	
T-8	Technical study on navigational aids and VHF		30 000	
T-9	Study Annobon port		20 000	
T-10	Vocational training, Bata Institute		10 000	
T-11	Combined feasibility studies for Malabo and Bata airports extension			500 000
T-12	Upgrading of four mainland and island airstrips			120 000
T-13	Combined feasibility studies for upgrading three roads and constructing two new roads on the mainland			500 000
T-14	Port planning study			150 000
Subtotal			4 380 000	1 270 000

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Table 9 (continued)

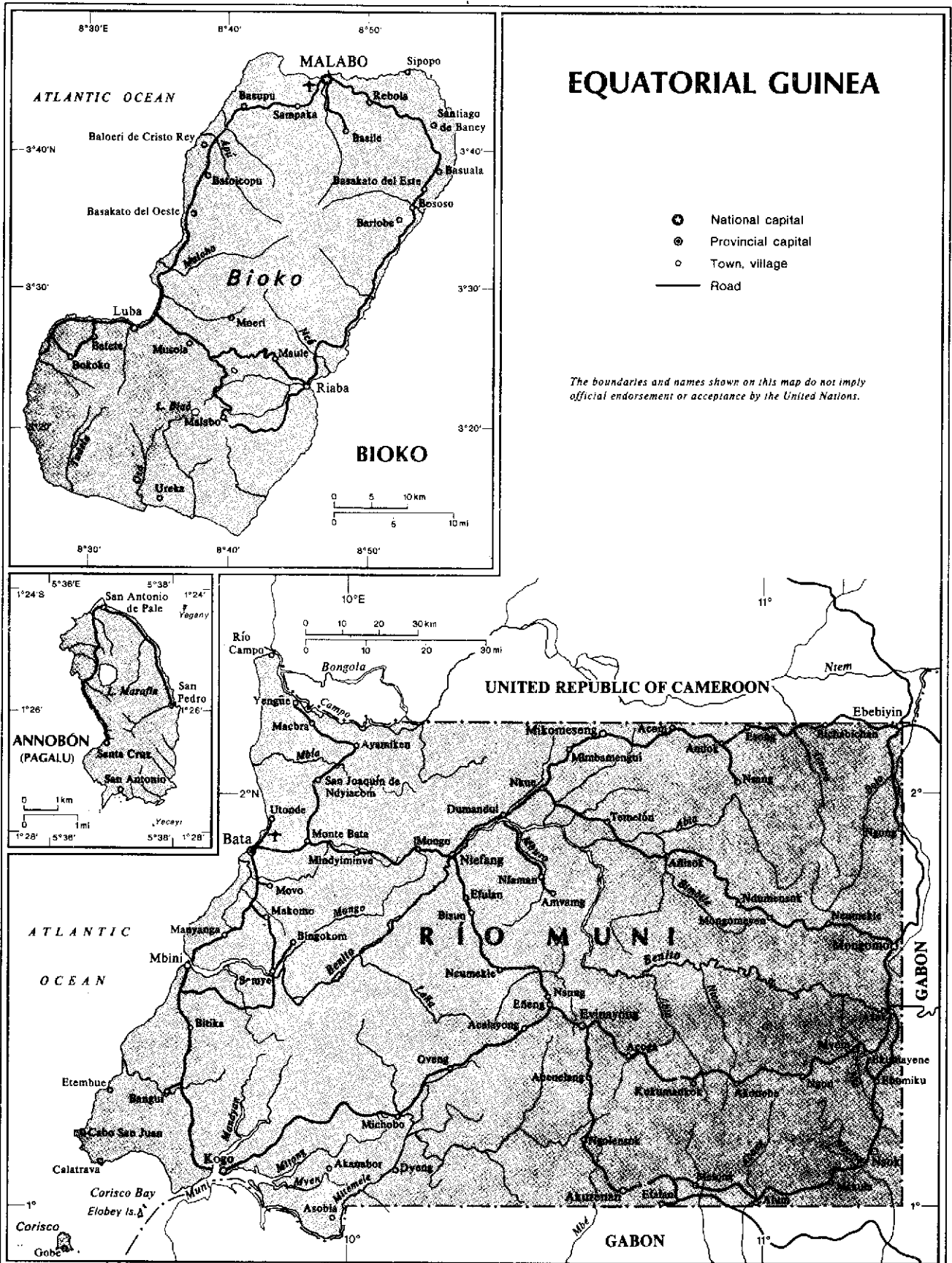
Summary of programmes, by project and sector

<u>Project title</u>	<u>Emergency humanitarian assistance programme cost in \$US</u>	<u>Urgent rehabilitation and reconstruction programme cost in \$US</u>	<u>Medium- and long-term development programme cost in \$US</u>
F. <u>Development of Annobon Island</u>			
I-1 Project development, Annobon		11 000	<u>a/</u>
<u>Subtotal</u>	-	11 000	-
G. <u>Food assistance</u>			
1. Four-year programme for vulnerable groups	9 000 000		
2. Balance-of-payments support		5 000 000	-
<u>Subtotal</u>	9 000 000	5 000 000	-
<u>Total</u>	11 174 000	28 421 500	19 700 000
<u>Grand total</u>		<u>\$59 295 500</u>	

a/ See foot-note to table 8.

APPENDIX I

Map of Equatorial Guinea



Equatorial Guinea in relation to neighbouring countries

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