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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Assistance to Guinea-Bissau

Report of the Secretary-General

1. In its resolution 33/124 of 19 December 1978 on assistance to Guinea-Bissau, the General Assembly, inter alia, requested the Secretary-General to continue his efforts to mobilize the necessary resources for an effective programme of financial, technical and material assistance to Guinea-Bissau, and to arrange for a review of the economic situation of Guinea-Bissau and the progress made in organizing and implementing the special economic assistance programme for that country in time for the matter to be considered by the General Assembly at its thirty-fourth session.
2. The Secretary-General arranged for a review mission to visit Guinea-Bissau to consult with the Government on the economic situation and on the progress which had been made in implementing the special economic assistance programme. The report of the review mission, which is annexed hereto, describes the economic and financial position of the country, and summarizes the progress which has been made in implementing the projects included in the special economic assistance programme detailed in the annex to the previous report of the Secretary-General on the subject (A/33/179 and Corr.1).
3. In resolution 33/124, the Secretary-General was also requested to pursue with the Government of Guinea-Bissau the question of organizing a meeting of donors and, in that respect, to co-ordinate efforts with the United Nations Development Programme (UNDP), the Economic Commission for Africa and the World Bank. Initial consultations with the Government took place during the visit of the review mission. After discussions with the three offices cited above have been completed, it is planned to transmit the results to the Government for its consideration before pursuing the matter further.

* A/34/150.

4. In paragraph 6 of resolution 33/124, the General Assembly requested a number of United Nations organizations and specialized agencies to bring to the attention of their governing bodies for their consideration the assistance they were rendering to Guinea-Bissau and to report the results of that assistance and their decisions to the Secretary-General in time for consideration by the Assembly at its thirty-fourth session. Furthermore, the appropriate organizations and specialized agencies of the United Nations were requested, in paragraph 8, to report periodically to the Secretary-General on the steps they had taken and the resources they had made available to assist Guinea-Bissau. The text of resolution 33/124 has been communicated to the agencies and organizations concerned and their attention drawn to the specific requests addressed to them by the General Assembly. Their replies will be issued as an addendum to the present report.

ANNEX

Report of the review mission to Guinea-Bissau
(28 to 30 March 1979)

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I. INTRODUCTION

1. In accordance with General Assembly resolution 32/100 of 13 December 1977, the Secretary-General dispatched a mission to Guinea-Bissau to consult with the Government on the nature and extent of the development assistance required to expand and strengthen the economic and social base of the country, seriously affected by the long war of national liberation, and to initiate an accelerated development programme.
2. On 19 December 1978, the General Assembly adopted resolution A/33/124 in which it endorsed fully the assessments and recommendations contained in the report of the Secretary-General on assistance to Guinea-Bissau (A/33/179 and Corr.1) and reiterated its appeal to the international community to provide financial, material and technical assistance to Guinea-Bissau.
3. The General Assembly also requested the Secretary-General to arrange for a review of the economic situation of Guinea-Bissau and the progress made in organizing and implementing the special economic assistance programme for that country in time for the matter to be considered by the Assembly at its thirty-fourth session.
4. The Secretary-General arranged for a review mission to visit Guinea-Bissau from 28 to 30 March 1979, to consult with the Government on the economic situation and to obtain information on the progress made in implementing the special economic assistance programme. The mission was led by the Joint Co-ordinator for Special Economic Assistance Programmes in the Office for Special Political Questions.
5. The mission was received by the Minister for Foreign Affairs and the Minister for Planning. During its visit, it held meetings with a committee made up of senior officials concerned with economic planning, finance, health, education and agriculture. Senior officials concerned with other sectors attended the meetings, as required.
6. The mission wishes to place on record its appreciation of the assistance it received from the Government of Guinea-Bissau. The Government had made a major effort to prepare for the mission's visit and all information required for the review was provided. The mission also wishes to acknowledge the very valuable support it received from the UNDP representative in Guinea-Bissau.

II. THE ECONOMIC SITUATION

A. General

7. The economy of Guinea-Bissau was described in some detail in the annex to the report of the Secretary-General on assistance to Guinea-Bissau (A/33/179 and Corr.1), hereafter referred to as the "principal report".

8. In the principal report, it was noted that the economy of Guinea-Bissau is overwhelmingly agricultural, with an inadequate infrastructure much of which had been destroyed or damaged during the long war of liberation. Guinea-Bissau had been self-sufficient in the basic food staple - rice - but the major installations had been damaged and the country now had to depend on imports. Export industries had also been affected, particularly in the liberated areas before independence where economic activity had had to be diverted to ensuring self-sufficiency and subsistence production. At independence, the country was faced with acute shortages of trained manpower, equipment and spare parts. Much of the capital stock showed the effects of many years of disinvestment through inadequate repair and maintenance. The country was also faced with a budget deficit and a serious balance-of-payments deficit at independence.

9. In 1978, the country suffered from a severe drought and there were widespread food shortages throughout the country. In 1979, the harvest is expected to be much better, but there will still be a need for large food imports. In these circumstances, Guinea-Bissau continues to rely on foreign assistance.

B. Government finances

10. One of the most difficult problems facing the Government of Guinea-Bissau has been establishing equilibrium in its recurrent budget. At independence, it inherited no cash reserves, and it has faced chronic deficits since that time. In 1976, the current deficit was of the order of \$20 million, similar to the figure recorded in 1977 when revenue was about \$16 million and expenditure approximately \$36 million.

11. The following table shows the budget position for 1978 and the budget estimates for 1979. It will be noted that actual revenue in 1978, \$14.3 million, was marginally below the estimates for that year. However, by dint of very stringent economy measures, the Government was able to reduce current expenditure from an estimated \$34.8 million to \$26.7 million. As a consequence, the actual deficit in 1978 was only \$12.9 million, substantially lower than in the two previous years. As in prior years, the deficit was covered by borrowing from the National Bank.

Table 1
Government finances
 (In United States dollars)

	<u>1978</u> (Estimated)	<u>1978</u> (Actual)	<u>1979</u> (Estimated)
REVENUE			
Direct taxes	5 437 971	5 271 441	6 994 493
Indirect taxes	6 712 609	7 814 938	11 033 333
Other revenue	<u>2 768 130</u>	<u>1 012 487</u>	<u>4 819 826</u>
Total recurrent revenue	14 918 710	14 098 869	22 847 652
Capital receipts	<u>129 275</u>	<u>232 782</u>	<u>180 000</u>
Total revenue	<u>15 047 985</u>	<u>14 331 651</u>	<u>23 027 652</u>
EXPENDITURE			
Personnel emoluments	23 614 087	16 823 745	28 002 667
Durable goods	231 826	20 768	622 928
Non-durable goods	1 366 928	699 057	1 565 304
Interest	3 533 333	16 736	3 533 333
Other	<u>6 069 073</u>	<u>9 174 274</u>	<u>5 032 087</u>
Total recurrent expenditure	34 815 247	26 734 579	38 756 319
Capital expenditure	<u>455 623</u>	<u>447 315</u>	<u>1 196 348</u>
Total expenditure	<u>35 270 870</u>	<u>27 181 894</u>	<u>39 952 667</u>
<u>Deficit:</u>	\$ 20 222 885	\$ 12 850 243	\$ 16 925 015

12. The estimated revenue in 1979 is nearly 65 per cent higher than the actual out-turn in 1978. This projected increase in revenue is expected to result from significantly higher levels of taxation and the extension of many taxes to new areas: for example, the stamp tax has been increased and extended, car registration fees have been increased, higher port dues are being levied, the sales tax has been extended to cover more items, and the Government has introduced a single-column tariff with higher average rates. As a result, revenue from indirect taxes is expected to increase substantially. The Government is also projecting increased transfers from public enterprises to the Treasury. The prices charged by state trading enterprises have been increased and new working arrangements established by which surpluses will be transferred to the Government treasury regularly throughout the year.

13. In spite of these new and heavier taxes, there is no foreseeable possibility of a recurrent budget surplus becoming a significant source for public capital investment. Both the 1978 figures and the 1979 estimates suggest a serious continuing deficit, with very small allotments for durable and non-durable goods. In other words, the bulk of the expenditure is on personal emoluments and insufficient is allocated to provide the public service with goods with which to work.

14. The continuing need for foreign assistance is clear from table 1. Indeed, the country will continue to be dependent on external sources for public capital expenditure, and, in spite of new taxation measures, will even require foreign assistance for recurrent expenditure if inflationary pressures and strains on the balance of payments are to be kept in check.

C. Balance of payments

15. The major exports of Guinea-Bissau are ground-nuts, palm kernels, cashew-nuts, wood products, fish and shrimps. In 1977, exports of these major products were valued at \$10.4 million, significantly higher than a year earlier largely as a result of increases in the production of ground-nuts and palm kernels. The preliminary estimate of exports for 1978 is \$11.7 million. These limited exports cover only a small proportion, however, of necessary imports.

16. The following table, derived from information provided by the Government, provides estimates of the balance-of-payments position for 1977 and 1978 and projections for 1979.

Table 2
Balance-of-payments estimates
 (In millions of US dollars)

	1977	1978 (Provisional)	1979 (Projected)
Exports (f.o.b.)	12.8	11.7	15.6
Imports (c.i.f.) a/	<u>37.1</u>	<u>52.3</u>	<u>41.1</u>
Trade balance	-24.3	-40.6	-25.5
Net services, transfers, errors and omissions	<u>-12.0</u>	<u>-13.2</u>	<u>- 8.6</u>
Current balance	-36.3	-53.8	-34.1
Net official transfers b/ (grants, loans, etc.)	<u>30.0</u>	<u>46.1</u>	<u>N/A</u>
Over-all balance	<u>- 6.3</u>	<u>- 7.7</u>	<u>N/A</u>

a/ Includes estimated value of food aid.

b/ Includes all international assistance in the form of grants and loans.

17. It will be noted from the table that the current deficit has not been fully covered by net official transfers, which include grants, loans and international assistance. For 1977 and 1978, the uncovered deficit was some \$14 million. This deficit has largely been met by running down foreign exchange reserves, now at an unmanageable low level, and by accumulating payment arrears every year. It should also be noted that the projected imports for 1979 are only marginally above those for 1977 and are substantially below the provisional figure for 1978. The relatively high figure for 1978 includes, under imports, a significant increase in food aid from the international community to meet the shortages arising from the serious drought. In real terms, therefore, the projected level of imports for 1979 is significantly lower than that in 1977. The low level of imports will make development extremely difficult for Guinea-Bissau.

18. So far, prospective grants, loans and advances for 1979 fall far short of eliminating the accumulating arrears and covering the projected current deficit for the year. The need for additional foreign assistance, not only to meet the current shortfall of resources but also to eliminate accumulated payment arrears, is clear from the table.

III. FOOD AID AND FOOD SECURITY

19. Guinea-Bissau continues to suffer from regional and local food shortages for a number of reasons. Inadequate rainfall in 1976 and 1977 seriously reduced agricultural output and, although the 1978/1979 crop is expected to be much better, the effects of the drought continue to be felt, particularly with regard to the marketable rice surplus. Food storage is also a major problem as many of the major facilities are old and dilapidated, resulting in heavy post-harvest losses. There are also difficulties in transporting marketable surpluses from the producing areas to the storage facilities and from the storage facilities to areas where there is a food deficit.

20. In the intermediate term, the food situation in Guinea-Bissau should pose no special problems. The country has a relatively favourable land-population ratio, fertile soils, rich fishing grounds and a substantial livestock potential. The Government is in the process of implementing a food security scheme partially financed by the Netherlands, the Federal Republic of Germany and the European Economic Community (EEC). The programme involves additional production, new storage facilities, and major additions and improvements in the transport system. The present food shortages, therefore, are unlikely to persist.

A. Food aid: 1978

21. The Government established a food aid committee to deal with the food shortages arising from the disruption of production and the drought in 1976 and 1977. Food needs for 1978 were assessed at some 49,000 tonnes and the Government sent a report setting out the needs and appealing for assistance to various Governments and international organizations. The response of the international community is shown in the following table provided by the Government of Guinea-Bissau:

Table 3
Food aid received in 1978
(In tonnes)

Rice	28,100	(United States of America - 8,182; Federal Republic of Germany - 2,000; EEC - 2,337; Sweden - 6,082; Union of Soviet Socialist Republics - 983; and China - 504; Netherlands - 1,000; United Kingdom of Great Britain and Northern Ireland - 2,350; Denmark - 4,628)
Wheat-flour	2,365	(EEC - 1,656; German Democratic Republic - 709)
Milk powder	655	(EEC - 607; Finland - 11; German Democratic Republic - 27; World Council of Churches - 10)
Edible oils	1,390	(EEC - 375; Holland - 360; others - 655)
Maize	7,530	(EEC - 2,500; World Food Programme (WFP) - 5,030)

22. It will be seen from the table that the total food aid received was approximately 40,000 tonnes. This was insufficient to meet the country's needs and nearly 10,000 tonnes, mainly rice, wheat-flour, maize and sugar, were purchased commercially to meet the shortfall.

B. Food needs: 1979

23. Although crops in 1978/1979 are expected to be much better than in the previous two years, the Government reported that it will still be necessary to import about 31,500 tonnes of food before the next harvest season. The Government's estimate of major food requirements for 1979 is as follows: rice - 20,000 tonnes; wheat-flour - 5,000 tonnes; sugar - 3,000 tonnes; maize - 2,500 tonnes; edible oils - 800 tonnes; and, milk - 200 tonnes. The mission was informed that pledges of food aid so far confirmed to the Government will only provide part of the necessary food imports. To date, 7,656 tonnes of rice have been pledged by Norway, Sweden and EEC, and 1,000 tonnes of maize have been pledged by France. In view of the critical foreign exchange situation facing Guinea-Bissau, additional pledges of food aid are urgently required.

IV. PROGRESS IN IMPLEMENTING SPECIAL ECONOMIC ASSISTANCE PROGRAMMES

International assistance

24. Guinea-Bissau receives bilateral and multilateral assistance from a number of different sources; the main donors and their areas of concentration are listed in appendix I below, provided by the Government.

Special economic assistance programme

25. Because of the very difficult economic situation in Guinea-Bissau, the special economic assistance programme recommended in the principal report totalled more than \$38 million in addition to considerable technical assistance and training. The programme was divided into two parts: \$25 million for immediate action projects, and nearly \$13 million for accelerated development projects. The following table sets out the distribution of these projects by sector:

Table 4

Summary of programme by sectors

Capital and operating costs

(In thousands of US dollars)

	<u>Part A</u> Immediate action projects	<u>Part B</u> Accelerated development projects
1. Public finance and management of the economy	106	-
2. Agriculture, livestock and forestry	3 350	3 110
3. Fisheries	224	1 000
4. Industry	5 595	1 900
5. Natural resources	1 850	1 950
6. Transport	9 935	3 970
7. Education, literacy and training	2 150	900
8. Health	830	140
9. Housing	1 000	-
Total	<u>25 040</u>	<u>12 970</u>
Total, parts A and B	<u>\$38 010 000</u>	

26. Of the 63 projects included in the programme, a/ only 21 have received partial or complete funding from foreign sources.

Assistance for projects

27. A summary statement on assistance for the projects included in the programme is contained in table 5 below. In the year since the preparation of the principal report, the Government has found it necessary to modify and combine several projects and to add several new projects to the programme. The most important new projects (see table 6 below) relate to water transport and industry. Details on modified and new projects are given in appendix II below.

Table 5

Summary statement on assistance for projects

	Project	Remarks
M-1	Reinforcement of the Commissariat of Finance	Additional assistance required
M-2	Reinforcement of the Commissariat of Economic Development and Planning	Partial assistance by UNDP
M-3	Management and promotion of trade	Funded through UNDP regional project
A-3	Soil studies	Additional assistance required
A-6	Installations for handling paddy	Partial funding by the Netherlands
A-7	Urgent recovery of food-stuff production	No longer required
A-9	Poultry and pig production	Funded by Sweden and the African Development Bank (ADB)
A-10	Forestry development	Incorporated in G-6 and G-7

a/ For the original list of projects, see A/33/179 and Corr.1, annex, appendix II.

Table 5 (continued)

Project	Remarks
A-11 Timber transport	Funded by Sweden
I-1 Cumeré agro-industrial complex	Additional assistance required
I-3 Sugar production	Partial funding by the Netherlands
I-6 Credits for industrial development	Being reformulated
I-9 Preparation and treatment of poles for electric power lines	Now designated P-2
I-10 Reinforcement of the National Printing Press	Funded by Sweden
I-11 Reorganization of shipyard facilities	Study assisted by Portugal; no assistance for implementation
G-1 Hydrological studies of river basins	Additional assistance required
T-1 Reinforcement of the Commissariat of Transport	Incorporates project T-17
T-2 New ocean port	Being reformulated
T-3 Port equipment	Funded by EEC
T-4 Coastal vessels	Partial funding by the Netherlands
T-8 Equipment for People's Stores and SOCOMI	Partial funding by the Federal Republic of Germany
T-9 General transport barges: four self-propelled barges for general cargo	Funded by EEC

Table 5 (continued)

Project	Remarks
T-14 Maritime safety inspection)	
T-15 Improvement of navigational) aids)	Funded by Norway through funds-in-trust
T-16 Training in navigation and) shipping maintenance)	
T-17 Operating staff	
E-1 Institute of Teacher Training	Additional assistance required
E-5 Self-help construction of rural schools	Additional assistance required
E-8 Technical training	UNDP/ADB funding under discussion
H-1 Training of "secouristas"	Additional assistance required
H-2 Training of multipurpose community health workers	Additional assistance required
L-1 Apartments for technical co-operation staff in Bissau	Additional assistance required

Table 6.

New projects

A-12	Poultry production in villages
A-13	Training agricultural extension workers
A-14	Small boats
I-14	Small foundry
I-13	Cashew-nut processing
I-14	Manioc-flour production
I-15	Wood industry
I-16	Textile and shoe industry
I-17	Packaging industry
I-18	Construction-materials industry
G-6	Assistance in establishing the Forestry Department
G-7	Forest inventory
T-18	Navigational aids
T-19	Dredging of Bissau port
T-20	Construction of river ports
E-9	Integrated educational centres
P-1	Institutional support for National Institute of Energy
P-2	Preparation and treatment of poles for electric power lines
P-3	Installation for testing electrical equipment
P-4	Fellowships

APPENDIX I

International assistance to Guinea-Bissau:
statement provided by the Government

1. Foreign assistance is of major importance to Guinea-Bissau. The major sources of assistance and the areas in which the assistance is concentrated are as follows:

A. Bilateral assistance

2. Bilateral co-operation has been established with a number of countries, of which the following are among the more important:

Sweden: Balance-of-payments assistance as well as technical assistance and development projects, mainly in infrastructure (school construction, energy, telecommunications (jointly with Norway), health facilities), agriculture and livestock, fisheries, apiculture, industry; the level of Swedish assistance increased from 1978 and 1979, and the Government finds the flexibility with which Swedish funds may be used particularly valuable.

United States of America: Capital and technical assistance and training concentrated in the fields of education, fisheries and agriculture and livestock.

France: Technical assistance, training and equipment, mainly in education, agriculture, fisheries, natural resources (geological surveys and general mapping), housing and telecommunications.

Netherlands: Capital and technical assistance in land and water resources, health, agriculture, food industry, housing and transport (equipment).

Norway: Balance-of-payments assistance as well as assistance in telecommunications (jointly with Sweden) and transport (notably technical assistance and equipment for water transport, under a funds-in-trust arrangement with the Intergovernmental Maritime Consultative Organization).

Union of Soviet Socialist Republics: Assistance largely in the fields of training, fisheries, natural resources (geological surveys), equipment for public works, power stations and diversified technical assistance.

Cuba: Training and technical assistance in health and agriculture as well as fellowships for technical training and diversified technical assistance.

China: Capital and technical assistance, including project identification, mainly in the fields of health and agriculture.

German Democratic Republic: Assistance in training and in the fields of industry and equipment for public works.

Portugal: Capital and technical assistance principally in education, health, public administration, transport, shipyards, and training in both university and technical specialization.

Denmark: Assistance through funds-in-trust arrangements, notably with the Food and Agriculture Organization of the United Nations (FAO), the United Nations Children's Fund (UNICEF) and the World Council of Churches.

United Kingdom of Great Britain and Northern Ireland: Assistance in providing transport equipment; considerable expansion and diversification of this programme are under discussion.

B. Multilateral assistance

3. The Government is actively undertaking efforts directed at promoting mutual co-operation among African countries having Portuguese as their official language. Such co-operation is expected to be very diversified and to have significant beneficial effects on all the countries concerned. These efforts are most advanced in the case of relations with Cape Verde, where development programmes and projects are being designed within a context of joint development.

4. Multilateral assistance is provided by the United Nations system (UNDP funding for technical assistance, training and equipment; UNICEF assistance in water resources, health and education; World Bank loans for roads; World Food Programme (WFP) assistance in health and education), EEC (agriculture, roads, fisheries, school and hospital construction, port equipment), the Kuwait Fund (pledges towards the cost of port and airport construction), ADB (roads, a vocational training institute, a general transport plan), the Arab Bank for Economic Development in Africa (BADEA) (agriculture), the Organization of Petroleum Exporting Countries (OPEC) (balance of payments), the Saudi Fund (Cumeré project, irrigation dam, cashew-nut processing, roads) and the Abu Dhabi Fund (Cumeré project). A number of non-governmental organizations are also active, particularly the World Council of Churches (agriculture, education, health), the United Nations Volunteers programme (technical assistance, notably in education) and the Oxford Committee for Famine Relief (Oxfam) (education, health).

APPENDIX II

Details of development projects

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A. Public finance and management of the economy

1. A substantial amount of technical co-operation, both from bilateral sources and from the United Nations system, has already been provided to the technical commissariat responsible for economic and financial management. Further assistance is required, particularly to the Commissariat of Finance, in reorganizing the fiscal system, and to the Commissariat of Economic Development and Planning in a number of fields, including statistics and economic planning.

Projects

M-1 Reinforcement of the Commissariat of Finance

2. Technical co-operation is required to assist in reorganizing the country's fiscal system and in tax administration; training in these fields is also needed. Short-term assistance has been provided by Sweden, but an additional 54 person-months of technical co-operation are needed as well as equipment costing \$50,000 to enable the Commissariat to operate efficiently in its new building.

M-2 Reinforcement of the Commissariat of Economic Development and Planning

3. The Commissariat has an in-service training programme to develop its capacity to assume effectively the central role assigned to it, but substantial technical assistance is still required. A \$420,000 UNDP-funded project will provide a development economist, volunteers in statistics and regional planning and short-term consultants, as well as equipment needed by the Commissariat. A demographer, a legal/economics expert, an expert in foreign exchange budgeting, and assistance in management and accounting systems of State enterprises are still required.

M-3 Management and promotion of trade

4. Assistance in the field of internal and external trade management and promotion is to be provided through a UNDP-funded regional project in co-operation with Cape Verde.

M-4 Accountancy and management systems

5. The management systems currently in use virtually everywhere in the country are antiquated and cumbersome, particularly in the increasingly important State-enterprise sector. Considerable technical assistance is required in management methods and systems analysis plus fellowships for training in these fields, and related equipment.

B. Agriculture, livestock and forestry

6. Rural development has a high priority in the Government's over-all development strategy. The policies for agricultural development are: to increase the

production of staple foods (rice and sorghum); to make the country self-sufficient in these crops and to provide a surplus for export to Cape Verde; to develop industrial crops; to provide the population with a more balanced diet through increasing production of vegetables, fish and livestock; to exploit forest resources more systematically; and to diversify agriculture by introducing new crops (tobacco and rubber are possibilities).

Projects

A-1 Reinforcement of the Commissariat of Rural Development

7. This newly formed Commissariat, with broader responsibilities than its predecessor, the Commissariat of Agriculture, requires assistance in planning and statistics, and needs equipment, including vehicles; a corresponding technical co-operation project has been formulated with FAO assistance.

A-2 Improving control of plant pests

8. A plant protection adviser is required for three years and assistance in providing training and equipment in this field is needed.

A-3 Soil studies

9. A soils laboratory has been established with Brazilian assistance. Further co-operation is required to enable this facility to operate effectively. A project has been formulated with FAO assistance, which will include technical expertise, training and equipment, to be provided over a period of three years at an estimated total cost of \$570,000.

A-4/A-5 Development of crop production

10. A project has been formulated with FAO assistance for co-operation in establishing and operating centres for improving cultivation methods, testing and introducing high-yielding varieties and producing and distributing seeds for several crops, including rice, maize and sorghum; the total cost for technical expertise, training and equipment is estimated at \$2 million over five years. A related project has also been developed with FAO assistance, with the object of introducing small irrigation dams in the Bafata region; the estimated cost is \$1.4 million over three years.

A-6 Installations for handling paddy

11. A 1,000-ton transit silo and facilities for fast loading of larger barges have been provided with assistance from the Netherlands through a funds-in-trust arrangement with FAO. Assistance is still required for: two mobile cranes, one at Bissau with a 50-ton per hour capacity and one at Ilha do Rei with a 25-ton per hour capacity, at a total estimated cost of \$230,000; and equipment and spare parts for the SOCOMI and Ilha do Rei paddy-processing plants at a cost of \$630,000,

as part of a larger plant and silo construction and equipment programme costing a total of \$1,660,000, which would enable existing capacity to be utilized more efficiently.

A-7 Urgent recovery of food-stuff production

12. Some \$276,000 of assistance was provided through funds-in-trust arrangements with FAO to meet the urgent needs following the disastrous drop in the rice crop in 1978. Food aid is still required, but improved growing conditions preclude the need for additional emergency assistance.

A-8 Vegetable and fruit production and horticulture

13. This project has been reformulated and it is now estimated that some \$280,000 over three years is required to provide the technical expertise and equipment necessary to produce and distribute seedlings in order to increase production.

A-9 Poultry and pig production

14. A poultry project and a pig project, both in Bissau, have been financed with \$750,000 of Swedish assistance. An additional pig project, formulated by FAO, is being funded by ADB.

A-10 Forestry development

15. Incorporated in new projects G-6 and G-7.

A-11 Timber transport

16. The provision of barges to facilitate the transport of sawn timber for the State enterprise SOCOTRAM has been financed with Swedish assistance.

C. Fisheries

17. Guinea-Bissau's potential for fishery development is very high. The recently created State Secretariat for Fisheries requires substantial assistance to carry out its programme of developing both artisanal and industrial fisheries. Technical co-operation is needed as well as material assistance for renovating and developing cold-storage and processing facilities.

Projects

F-1 Reinforcement of the State Secretariat for Fisheries

18. The State Secretariat has a 10-year plan for fishery development; it requires technical co-operation and assistance in providing the training and equipment necessary for carrying out this development plan. Initially, two advisers for three years each, fellowships, and equipment costing \$14,000 are needed.

F-2 Cold-storage and deep-freezing complex at Bissau

19. Repairs are urgently needed to existing cold-storage facilities, which should be made possible by project I-8 (spare-parts management system); subsequently, new, larger facilities will be required. A request for technical assistance for a feasibility study of these facilities is included in part A of the programme; construction, at an estimated cost of \$1 million, is included in part B (see table 4 above).

F-3 Small cold-stores and fish-curing equipment

20. It is proposed to install eight small cold-stores of about 10 tons each to facilitate the distribution of fish, meat and vegetables, at a total cost of about \$200,000. Assistance is also requested to provide equipment for drying, smoking and salting fish, at an estimated cost of \$10,000.

D. Industry

21. Existing manufacturing industry is very limited, and what units do exist tend to be small and antiquated. Related to this is an extreme scarcity of industrial skills and experience, technical and managerial, at all levels. Local capital, physical infrastructure and spare parts are also in short supply. Assistance is therefore required in a broad range of industry-related activities, including technical co-operation, to strengthen the capacity to plan for the sector.

Projects

I-1 Cumeré agro-industrial complex

22. The Government is developing an agro-industrial complex at Cumeré, near Bissau, which will include rice mills, ground-nut decortication, extraction and processing of ground-nut and palm oil, soap manufacture and cattle-feed production. The Government has already obtained \$7 million in bilateral assistance and commercial credit and has available an additional \$1 million in national funds; a further \$5 million is needed.

I-2 Palm-nut dehusking plants

23. It is proposed to establish a network of small dehusking plants, using simple crushers powered by 2 1/2 h.p. engines. An initial 100 crushers, including engines, would cost about \$90,000. A junior technician for training in maintenance and operations is also required.

I-3 Sugar production

24. Sugar cane is currently grown on a small scale in Guinea-Bissau. The Government proposes to establish a 1,000-hectare sugar plantation and a sugar-mill to produce sugar both for domestic needs and for export to Cape Verde. The total

cost for this scheme has been estimated at \$40 to \$50 million; the Netherlands has made available \$8 million for the agricultural part of the project.

I-4 Reinforcement of the Directorate-General of Industry

25. The Directorate is responsible for programming industrial development, preparing and implementing industrial projects and managing several industrial enterprises. The Government places a high priority on obtaining assistance to provide technical expertise, training and equipment to the Directorate; initially, 66 person-months of expertise, 18 months of fellowships and equipment costing \$40,000 are requested.

I-5 Small centre for adaptation of technology

26. The Government is making a great effort to improve the traditional techniques used in small-scale village industries, including metal-working, ceramics, furniture and textiles. Assistance is required in the form of technical co-operation, fellowships and transport equipment.

I-6 Credits for industrial development

27. This project will be reformulated pursuant to the Government's current reconsideration of the precise institutional form and structure to be introduced to meet this need. A national development fund will be established, possibly in co-operation with Cape Verde. Pending these developments, however, the need for financing and credit for industry remains urgent.

I-7 Quality control laboratory for materials and industrial products

28. There is at present no such facility in the country. A consultant could be provided within the context of project I-4 to advise on establishing this service. A preliminary estimate indicates that about two years of technical expertise, six months of fellowships and equipment costing \$40,000 would be needed to install the laboratory.

I-8 Spare-parts management system

29. There are serious problems in the availability and distribution of spare parts; it is anticipated that this situation will become aggravated in line with the multiplicity of sources of assistance. It is proposed to establish a central organization for purchasing and distributing spare parts, providing technical training in storekeeping, maintaining a stock of essential parts and promoting standardization. An estimated \$4 to \$6 million is required.

I-9 Preparation and treatment of poles for electric power lines

30. Now designated project P-2.

I-10 Reinforcement of the National Printing Press

31. Funding for equipment and training to enable this central facility to operate effectively has been provided by Sweden.

I-11 Reorganization of shipyard facilities

32. The Government places a high priority on this project, in view of the planned development of fisheries and water transport. A study prepared with Portuguese assistance has indicated a need for a programme, lasting 2 1/2 years and costing about \$4 million, to restructure and expand these facilities.

E. Natural resources

33. The natural resource requiring most attention is water: the equilibrium between fresh and salt water in coastal regions must be carefully controlled to avoid further encroachment by salt water; water storage and other measures are needed to limit water loss due to the concentrated rainy season, high dry-season evaporation rates and the nature of the topography. With regard to mineral resources, some exploration has been done and there is a known deposit of 200 million tonnes of medium-grade bauxite as well as indications of phosphate, zirconium, ilmenite, clays and limestone; the on-shore and off-shore geological formation presents the possibility of petroleum deposits. The Government is concerned to exploit the country's natural resources in a rational manner, and the Directorate of Mines, Geology, Hydrogeology and Hydraulics receives important bilateral and multilateral assistance.

Projects

G-1 Hydrological studies of river basins

34. A hydrological study is being undertaken, with UNDP assistance, of the Corubal river basin. Similar studies of four more smaller river basins are needed. These studies would eventually be correlated and recorded in a comprehensive data system. Assistance is required in the form of technical expertise and fellowships and for equipment and operating costs estimated at about \$300,000.

G-2 Preliminary study of sites for tidal control dams

35. Construction of control dams in the lower reaches of rivers would facilitate upstream irrigation by controlling tide-water penetration and would permit the reclamation of areas already contaminated by salt. Preliminary studies are needed to identify suitable sites for such dams. Assistance is required for technical expertise and for equipment and operating costs estimated at \$1 million.

G-3 Control of ground-water resources

36. In view of the great effort being made to develop ground-water resources for towns, villages and agriculture, there is considerable danger that such developments may destroy the delicate equilibrium in many areas between fresh and salt water in the water table. It is therefore urgent that systematic controls be introduced, including stations to record pumping and salinity levels and controls of well-digging and pumping rates. Technical co-operation and an estimated amount of \$1 million for equipment and operating costs over a four-year period are needed to make the initial measurements and establish an ongoing system.

G-4 Rural water supply and distribution

37. The drilling of boreholes and sinking of wells for village use and irrigation is proceeding with external assistance. While this programme continues, it is necessary to provide pumps, piping, water towers and tanks at already established boreholes and wells. To provide 500 manual pumps and related equipment will require approximately \$2.5 million, half included in part A of the programme and half in part B (see table 4 above).

G-5 Stock-taking of the Directorate of Natural Resources

38. The Directorate has, with substantial multilateral and bilateral assistance, assembled much data and a considerable stock of equipment. It is now necessary to take stock of what has been achieved, to consider the future needs of the Directorate and to estimate its future operating costs and requirements for external assistance. Three months of consultant services are needed.

F. Transport

39. Few, if any, communities in Guinea-Bissau are more than 25 kilometres from a waterway. It is therefore important to develop a transport system based on waterways and connecting roads. Improvement of water transport services are vital, particularly in the rice-growing region in the south where access is currently poor. Transport development already receives considerable external assistance, but more is required in providing infrastructure, equipment, expertise and training.

Projects

T-1 Reinforcement of the Commissariat of Transport

40. Incorporates project T-17. To enable the Commissariat to plan, co-ordinate and maintain the national transport system, technical co-operation is required in a broad range of fields, including transport legislation, civil and mechanical engineering, material handling, data collection and accounting systems. In addition, salary supplements to attract needed expatriate personnel in operational

fields such as marine transport, port operation, civil aviation and meteorological services are required.

T-2 New ocean port

41. In view of the high investment cost which would be required to construct a new ocean port, as indicated in the principal report, consideration is now being given to enlarging and improving the port of Bissau within the context of a national harbour development programme. Studies of alternative port development schemes are being undertaken with EEC assistance.

T-3 Port equipment

42. Equipment to enable the effective operation of the existing port, pending the decision referred to in connexion with project T-2, has been financed by EEC.

T-4 Coastal vessels

43. The funding for one 300-ton coastal vessel has been provided by the Netherlands; funding for a second is under discussion.

T-5 Major ferry boat

44. A 6-vehicle, 150-passenger ferry boat for service between Bissau and Canal do Enxude would cost an estimated \$1.5 million and is requested within part B of the programme (see table 4 above).

T-6 Ferry boat terminals

45. The foreign exchange construction cost of floating piers with connecting ramps at Bissau and Canal do Enxude, needed in connexion with project T-5, is estimated at \$500,000; local costs are estimated at \$1 million. This project is included in part B of the programme.

T-7 Small ferries

46. Also included in part B of the programme is the provision of six small, self-propelled, shallow-draught ferries able to carry single 10-ton trucks at critical river crossings; the total estimated cost is \$900,000.

T-8 Equipment for People's Stores and SOCOMI

47. As part of the equipment needed for distributing food and other merchandise, the Federal Republic of Germany has provided funding for spare parts for marine engines, materials for vessel repairs and maintenance and outboard motors for inland water transport. An additional \$370,000 for equipment for a ship repair facility is still required.

T-9 General transport barges

48. The provision of four self-propelled barges for general cargo has been financed by EEC.

T-10 Small barges

49. Materials and engines are required for five small barges to be built locally, at a cost of about \$140,000, divided equally between parts A and B of the programme.

T-11 Berthing facilities for barge traffic

50. Imported materials, costing about \$15,000, are required for constructing berthing facilities to serve the barge traffic to be developed with the assistance of project T-10.

T-12 Provision of airstrips

51. Five airstrips are needed in areas where access is difficult or slow. In order of priority, these are at Cufar, Bubaque, Bolama, Quebo and Bafata; the first three are included in part A and the last two in part B at an estimated total cost of \$4 million.

T-13 Improvement of water transport

52. Twelve person-months of expertise, 36 months of fellowships and equipment costing \$150,000 are required to conduct surveys of navigable channels, train personnel in fields related to water transport and supply equipment urgently required for repairing floating equipment and cargo-handling facilities.

T-14 Maritime safety inspection

T-15 Improvement of navigational aids

T-16 Training in navigation and shipping maintenance

53. Assistance has been provided by Norway, through funds-in-trust arrangements, to provide technical co-operation and equipment needed to establish a maritime inspectorate; to improve the maintenance and renovation of navigational aids; and to train deck and engine maritime personnel.

T-16 Operating staff

54. Incorporated in project T-1.

G. Education, literacy and training

55. Guinea-Bissau is faced with a critical shortage of trained personnel at all levels in nearly all fields. The educational system is to provide six years of basic, universal education followed by either general or specialized secondary education; middle-level vocational training will be provided in fields necessary for national development. A key constraint in implementing this programme is the shortage of properly trained teachers at all levels, requiring considerable efforts in teacher training. A shortage of classrooms has led to a primary-school construction programme in rural areas using self-help building by local communities. The Government also places importance on literacy programmes and vocational training.

Projects

E-1 Institute of Teacher Training

56. This Institute is being established with ADB financing. In addition to this, however, considerable technical assistance will be required to institute and operate it for the first four or five years. It is intended to train both primary and higher-level teachers. The Government places a high priority on this project.

E-2 Primary teacher training

57. While the Institute of Teacher Training is still being developed, the Government intends to upgrade existing primary teachers in order to improve primary education within the context of its three-year education plan for 1979-1981. Material and financial assistance costing an estimated \$900,000 are required to enable this high priority programme to function.

E-3 Development of audio-visual teaching

58. About \$200,000 is needed for equipment required for audio-visual work, to be used in both national education and literacy programmes, as well as 24 months of fellowships to train instructors in this field.

E-4 Provision of educational equipment and supplies

59. A wide variety of educational equipment is needed, including libraries and material supplies, for primary and secondary schools and teacher-training institutes. An initial \$700,000, divided between parts A and B of the programme is needed (see table 4 above).

E-5 Self-help construction of rural schools

60. In view of the shortage of classrooms in rural areas, it is intended to build 200 such classrooms a year. This programme has received Swedish assistance

in providing equipment and technical expertise through a Canadian non-governmental organization. Additional assistance to provide construction materials and to pay the wages of a limited number of skilled workers is needed, however, at a cost of about \$1 million, divided between parts A and B.

E-6 Educational workshops

61. A workshop is to be built in each region to demonstrate scientific teaching equipment and facilitate its improvisation with local materials. Assistance is required to finance these workshops, at an estimated cost of \$400,000, plus technical assistance to operate them.

E-7 Literacy

62. A textbook and other material have been produced with assistance from the United Nations Educational, Scientific and Cultural Organization but a further \$50,000 is required for vehicles and other equipment necessary to continue these programmes. Two experts to train instructors and assist in organizing the programmes are also needed.

E-8 Technical training

63. A project funded jointly by UNDP and ADB is expected to be approved shortly to provide seven experts and equipment in this field.

Fellowships

64. The need for fellowships providing for general university education and for training at advanced levels in specific skills will continue for many years.

H. Health

65. As in much of West Africa, there is a serious incidence of malaria, gastro-intestinal disease, filariasis, tuberculosis and leprosy; child mortality appears to be high. A health service development programme has been prepared with assistance from the World Health Organization. It is intended that the system will eventually comprise some 120 health posts, 15 to 18 small (10- to 20-bed) sector hospitals, 8 regional hospitals and central facilities, including the national hospital. Training facilities are needed for subprofessional staff. About half of this structure already exists or has financing available, but considerable assistance is required to complete the system and to alleviate the very difficult operational conditions characterized by shortages of staff, equipment, supplies and finance.

Projects

H-1 Training of "secouristas"

66. These were first-aid and village health workers in the liberated areas during

the war for independence, many of whom are virtually illiterate. The aim of this project is to retrain them, so that ultimately they will reach the level of nursing auxiliaries. A training school already exists at Nhala; it has received UNICEF assistance in equipment and some limited food aid. Additional assistance is needed for salaries and operating costs (two thirds of which is the cost of food for the trainees); these costs are estimated at \$140,000 a year or \$560,000 for the four-year programme which would train 300 "secouristas".

H-2 Training of multi-purpose community health workers

67. These "grass-roots" workers will train the rural population in health and health-related aspects of rural life. They are trained during each rainy season and undertake practical work in the dry season; the complete sequence lasts three years. Bilateral funding was made available for stipends for the first course, but financing is now required on a priority basis for the next three-year course at an estimated total of \$60,000.

H-3 Vaccination campaigns

68. The vaccination programmes are to be expanded urgently by embarking on five-year campaigns of vaccination against several diseases. Assistance is needed to procure vaccines, at a cost of \$65,000, and equipment, at a cost of about \$300,000.

I. Housing

L-1 Apartments for technical co-operation staff in Bissau

69. In view of the extreme shortage of housing for international personnel in Bissau, construction has begun on a 96-apartment complex. The Government requires assistance for financing a second such complex at an estimated cost of \$1 million.

J. New projects

A-12 Poultry production in villages

70. Encouraging poultry production in villages throughout the country is assigned a high priority by the Government. Assistance is required to study and prepare a project for this.

A-13 Training agricultural extension workers

71. Each agricultural project now includes its own provisions for training. This project, prepared by FAO, would establish a single training service for all agricultural projects. About \$2.2 million of financing would be required over a five-year period for reconstructing existing facilities and providing technical assistance, fellowships and equipment.

A-14 Small boats

72. This project, currently under study, would be related to the provision of transit silos under project A-6, and would permit the commercialization of rice from the country's most important rice-producing area.

I-12 Small foundry

73. A large amount of scrap metal was abandoned by the colonial Power during the war for independence and thereafter. A small foundry to make spare parts, etc., would cost an estimated \$1.5 million.

I-13 Cashew-nut processing

74. A study is under way on a project to produce shelled and roasted cashew-nuts and by-products, with a capacity of 1,500 tonnes a year; the preliminary cost estimate is \$1.5 million.

I-14 Manioc-flour production

75. A study is required with a view to preparing a project to establish small manioc-flour production units distributed throughout the country.

I-15 Wood industry

76. There exists a State enterprise, currently receiving Swedish technical assistance, which operates sawmills, a furniture factory and a parquet factory. A study is needed on a project to exploit new wood-producing areas and to produce parquet.

I-16 Textile and shoe industry

77. Studies are needed on the possibilities for developing this industry, using local cotton and leather for raw materials.

I-17 Packaging industry

I-18 Construction-materials industry

78. Studies are to be undertaken shortly on the possibilities for developing these industries.

G-6 Assistance in establishing the Forestry Department

79. The Government is reorganizing this sector and places a high priority on filling the need for technical assistance and equipment to strengthen this new department.

G-7 Forest inventory

80. As the country's forests are being rapidly depleted, a detailed forest inventory is required, which would build on an initial forest survey prepared with French assistance.

T-18 Navigational aids

81. Further study is needed to determine the requirements for meeting the priority assigned by the Government to providing adequate navigational aids, including new and replacement lights and buoys, for both coastal and international shipping.

T-19 Dredging of Bissau port

82. This is required urgently regardless of which port alternative is eventually selected, as indicated in paragraph 41 above (project T-2). Dredging is needed to ensure the port's continuous operation, given the heavy amount of silting. Further studies are needed, but a preliminary cost estimate of \$2 million to \$2.5 million has been made.

T-20 Construction of river ports

83. The construction of three ports is being financed by the World Bank. Studies are needed for new construction or reconstruction of four ports at Xime, Catio, Binta and Empada, which are important for transporting agricultural produce.

E-9 Integrated educational centres

84. These centres provide post-primary training for rural residents in their own regions in such fields as agricultural techniques, nutrition, health and social organization. Two such centres are already in operation with assistance from non-governmental organizations, but this assistance might not be forthcoming after 1979. Additional assistance is required to establish a third centre, at an estimated cost of \$500,000 for installation and one-year's operation.

Energy

P-1 Institutional support for National Institute of Energy

85. This project is to organize a public entity to control electricity installations, repairs and maintenance, and to provide technical assistance and training in this field. A \$650,000 project has been prepared for which ADB has pledged funding for the required equipment, contingent on UNDP financing the technical assistance component, which is under discussion.

P-2 Preparation and treatment of poles for electric-
power lines

86. Formerly project I-9. An expert in tropical hardwoods is required to select the most appropriate species and processes for local preparation of such poles, all of which are currently imported.

P-3 Installation for testing electrical equipment

87. A building exists for such a facility, but equipment and technical assistance at an estimated cost of \$300,000 are needed to establish this service.

P-4 Fellowships

88. There is an urgent need for fellowships to provide in-service technical training to about 20 persons as electricians, electricity administrators (accountants, etc.), and draughtsmen.
