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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE

Assistance to Guinea-Bissau

Report of the Secretary-General

1. In its resolution 35/95 of 5 December 1980 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 the country and the progress made in organizing and implementing the special economic assistance programme in time for the matter to be considered by the Assembly at its thirty-sixth 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 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, discusses the need for food assistance and summarizes the progress which has been made in implementing the projects included in the special economic assistance programme.
3. In paragraph 7 of resolution 35/95, the General Assembly invited a number of United Nations organizations and specialized agencies to bring to the attention of their governing bodies the special needs of Guinea-Bissau and to report the decisions of those bodies to the Secretary-General by 15 August 1981. Furthermore, the appropriate specialized agencies and other organizations of the United Nations system was requested, in paragraph 8, to report 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 35/95 has been communicated to the agencies and organizations concerned and their attention drawn to the specific requests addressed to them by the Assembly. The replies of the agencies and organizations will be reproduced in a report of the Secretary-General covering Guinea-Bissau and a number of other countries for which the Assembly has requested the Secretary-General to organize special economic assistance programmes.

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\* A/36/150.

ANNEX

Report of the review mission to Guinea-Bissau  
(6-10 April 1981)

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## I. INTRODUCTION

1. The report of the Secretary-General on assistance to Guinea-Bissau (A/35/343), considered by the General Assembly at its thirty-fifth session, referred to his previous reports and to previous resolutions adopted by the Assembly on the same subject.
2. On 5 December 1980, the General Assembly adopted resolution 35/95 in which it endorsed fully the assessment and recommendations contained in the annex to the report of the Secretary-General (A/35/343) 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 of 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-fifth session. In pursuance of that request, the Secretary-General arranged for a review mission to visit Guinea-Bissau from 6 to 10 April 1981. The mission was led by the Joint Co-ordinator of Special Economic Assistance Programmes in the Office for Special Political Questions.
4. The mission was received by His Excellency Mr. Joao Bernardo Vieira, Chairman of the Provisional Council, and by the Minister for Finance and the Minister for Agriculture. During its visit, it held meetings with senior officials from the Commissariat for Co-ordination and Planning and from a number of sectoral commissariats.
5. The mission wishes to place on record its appreciation of the full co-operation it received from the Government of Guinea-Bissau. The Government had prepared relevant materials for the mission's visit and provided the basic information required for the review. The mission also wishes to acknowledge the support it received from the office of the United Nations Development Programme (UNDP) in Guinea-Bissau.

## II. THE ECONOMIC SITUATION

### A. General

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

7. In the principal report, it was noted that the economy of Guinea-Bissau was overwhelmingly agricultural. Much of the country's inadequate economic infrastructure was destroyed or damaged during the long war of liberation. At independence, the country was faced with acute shortages of basic foods, 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 large budget and balance-of-payments deficits.

8. The economy of Guinea-Bissau has been severely affected by inadequate rainfall for a number of years. There has hardly been a single year since independence which could be termed "normal", and for the last three years, including the 1980/81 agricultural year, insufficient rainfall has led to crop failures and a structural food deficit. The estimated rice deficit (45,000 tonnes for 1980 and 56,000 tonnes for 1981) amounts to about 50 per cent of internal consumption.

9. Food shortages in several parts of the country contributed to the events of November 1980 and to the formation of the new provisional Government.

10. A recently published Government document entitled "Development programme for 1980/81" emphasized growth in the countryside compared to the city of Bissau, stressed the increasing difficulty of managing and organizing in a productive manner the large quantity of modern equipment entering the country, and discussed the rapid rise of recurrent costs in foreign exchange resulting from the use of newly imported equipment.

11. Although no basic document setting out the new Government's economic strategy has been published, the Government indicated a number of policy guidelines:

(a) Top priority will be given to the basic needs of the population, with particular emphasis on food security;

(b) Rural development will be promoted. In agriculture, priority will be given to food crops and diet diversification, programmes to increase agricultural inputs, and the production of raw materials for the new industries based on agriculture (peanuts, cashew-nuts and fruit, in that order);

(c) The programme of reconstruction of the basic national infrastructure networks (roads, ports, energy production and distribution, telecommunications) will be implemented. Thereafter, major emphasis will be placed on local infrastructure, particularly feeder roads, local storage capacity, rural telecommunications, small irrigation systems and the commercialization of both the supply of agricultural inputs and the marketing of rural production;

(d) In the modern sector, as a whole, priority will be given to improved use of existing equipment, particular attention being paid to the problems of obtaining spare parts and of maintenance programmes and management;

(e) The sometimes chaotic multiplication of projects based on external funding will give place to concentration on selected high-priority projects and to the organization of broader sector and intersector programmes, in order to improve the local absorption capacity. Efforts will be made to ensure the supply of agricultural inputs and spare parts, emergency foods, construction materials and petroleum to the priority sectors;

(f) The over-all efficiency of the commercial sector, including reorganization, will also be examined;

(g) Steps will be taken to undertake a stabilization programme, including control of the recurrent and investment budgets, imports, prices, salaries and credit. The provisional Government hopes to publish an over-all policy document in August.

12. Implementation of the new programme will rely heavily on foreign aid. Exports from Guinea-Bissau totalled only \$11 million in 1980, while imports were close to \$60 million, and oil imports alone were over \$10 million. Debt-servicing for 1981 exceeds the value of exports, and production of the main export crop - peanuts - has been less than 20,000 tonnes in each of the last two years, compared to 36,000 tonnes in 1977. The decision to concentrate on basic needs and to launch an austerity campaign will need to be complemented by major assistance from the international community to cover the most important food and investment needs.

#### B. Government finances

13. The recurrent budget deficit has been steadily increasing in recent years. It was about \$17 million in 1979, \$19.2 million in 1980 and was projected at \$22.7 million for 1981. However, as the actual revenue will be lower than the budget estimates, the Government now expects the deficit to be much higher. In spite of the austerity programme of the Government, expenditures are difficult to reduce, since about two thirds consist of personnel emoluments. Revenues affected by bad agricultural harvests are unlikely to increase. The result is a large structural deficit, mainly covered by borrowing from the National Bank.

14. Table 1, derived from information provided by the Government, shows the budget estimates for 1979, 1980 and 1981. It also provides information on the actual revenue for 1979 and for the first 11 months of 1980. No actual expenditure figures were available at the time of the mission's visits.

Table 1  
Government finances  
 (Thousands of United States dollars) a/

	1979		1980		1981
	Estimates	Actual	Estimates	Actual (Jan.-Nov.)	Estimates
<u>Revenue</u>					
Direct taxes	6 994	4 965	6 069	5 069	6 010
Indirect taxes	11 033	12 141	12 189	10 963	16 090
Other revenue	<u>4 820</u>	<u>3 294</u>	<u>4 890</u>	<u>3 072</u>	<u>5 497</u>
Total recurrent revenue	22 847	20 400	23 803	19 104	27 597
Capital receipts	<u>180</u>	<u>500</u>	<u>174</u>	<u>513</u>	<u>244</u>
Total revenue	<u>23 027</u>	<u>20 900</u>	<u>23 977</u>	<u>19 617</u>	<u>27 841</u>
<u>Expenditure</u>					
Personnel emoluments	28 003	-	28 679	-	34 400
Durable goods	623		353		167
Non-durable goods	1 565		1 476		1 557
Interest	3 533		3 396		3 141
Other	<u>5 032</u>		<u>7 954</u>		<u>7 273</u>
Total recurrent expenditure	38 756		41 858		46 538
Capital expenditure	<u>1 196</u>		<u>1 370</u>		<u>4 052</u>
Total expenditure	<u>39 952</u>	-	<u>43 228</u>	-	<u>50 590</u>
Deficit	16 925	-	19 251	-	22 749

a/ Source: Guinea-Bissau Government. Throughout the report, the rates of exchange used for currency conversions were:

1978 and 1979    \$1 = 34.5 pesos  
 1980             \$1 = 35 pesos  
 1981             \$1 = 35.5 pesos

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15. The major changes are the sharp increase in estimated receipts from indirect taxes in 1981, and the expected rise in personnel emoluments resulting from the recent general increase in salaries. Annual inflation is estimated at 20 per cent.
16. With a public service of approximately 20,000 out of a population estimated at 650,000 and an extremely large self-subsistence agricultural sector, Guinea-Bissau has a relatively large recurrent budget.
17. The deficit is becoming a major problem and makes it practically impossible for the Government to finance development activities. The investment budget is almost totally funded by foreign aid.
18. Estimates have been provided for the amounts of actual investment during the last three years as well as on its distribution by sectors. Actual expenditure on projects has been rising rapidly, from \$46.5 million in 1978, to \$52.1 million in 1979 and \$79.6 million in 1980. Table 2 provides detailed information on investments.
19. The high and increasing investment figures, reaching almost \$100 per capita, are due not only to additional development projects but in a great part to cost overruns on projects being completed, particularly the higher cost of petroleum, spare parts and other imported items. The heavy investment in modern equipment in the fields of industry and handicrafts, energy, transport and telecommunications - which represent nearly 60 per cent of the investment budget - have led to particularly high operational costs. The foreign currency component of expenditures on projects has been estimated at between 75 and 80 per cent.
20. This serious situation has led to the decision of the Government to consolidate existing projects and to reinforce intersector support in such fields as spare parts, agricultural inputs, construction materials, petroleum and food reserves rather than continue with new project proposals in the modern sector.
21. The exceptionally low investment figure for agriculture, livestock and forestry is another feature of the pattern of investment that has led the Government to give higher priority to rural development. Rural people represent 90 per cent of the population, while rural investment was estimated at only 5 per cent of total investment in 1980.

Table 2  
Investment budget a/  
 (Thousands of United States dollars)

	1978 (Actual)	1979 (Actual)	1980 (Actual)
Agriculture, livestock and forestry	5 372	3 427	4 101
Fisheries	574	5 100	5 794
Natural resources	2 989	2 639	3 449
Industry and handicrafts	8 576	14 687	11 715
Energy	682	3 256	10 360
Transport	9 944	3 168	21 767
Telecommunications	3 140	5 526	3 041
Education	2 586	4 809	7 816
Health and social welfare	2 653	1 383	3 494
Housing and sanitation	3 552	3 710	4 014
Other	<u>6 477</u>	<u>4 440</u>	<u>4 210</u>
Total	<u>45 545</u>	<u>52 145</u>	<u>79 650</u>

a/ For currency conversion rates, see foot-note to table 1.



C. Balance of payments

22. The Government was unable to provide information to update the balance-of-payments figures presented in the 1980 report. However, foreign trade figures were available for the last three years and show a growing trade deficit, of \$38.8 million in 1978, \$46 million in 1979 and \$49 million in 1980. The value of imports for 1980 represents five times the value of exports.

23. The sequence of droughts and the growing encroachment of the Sahelian desert have contributed to bad agricultural harvests, which simultaneously reduce the country's exports and make higher food imports necessary. Guinea-Bissau depends fully on oil imports for its energy, and pays very high prices for small quantities because of a shortage of storage capacity. As for exports, future improvements are expected from fisheries, but only after major infrastructure projects have been implemented. During the next few years, the country will have to rely even more heavily on foreign assistance.

Table 3

Foreign trade

(Thousands of United States dollars)

	1978	1979	1980
<u>Imports</u>			
Food and beverages	21 230	8 455	10 351
Industrial and commercial supplies	8 042	12 310	13 505
Petroleum and derivatives <u>a/</u>	2 352	3 887	3 262
Machinery	8 618	17 887	8 531
Transport equipment	6 418	9 382	11 702
Other	4 874	8 009	5 806
	<u>51 534</u>	<u>59 930</u>	<u>53 137</u> <u>a/</u>
<u>Exports</u>			
Shrimp	1 826	3 394	3 226
Peanuts	5 053	6 008	2 732
Palm kernel	3 595	2 717	1 868
Sawn wood	276	354	806
Other	1 926	1 429	2 291
	<u>12 676</u>	<u>13 902</u>	<u>10 923</u>
Deficit	38 858	46 028	42 214 <u>a/</u>

a/ Provisional figures. Actual petroleum imports in 1980 have been estimated by the Government at over \$10 million. Indeed, the Government now believes that all import figures have been underestimated.

### III. FOOD AID AND FOOD SECURITY

#### A. Food aid received

24. Food aid to Guinea-Bissau has been provided mainly by the Swedish International Development Authority (SIDA), the United States Agency for International Development (USAID), the European Economic Community (EEC) and the World Food Programme (WFP), with a few other smaller sources. Its value has shown sharp variations, from \$5.4 million in 1977 to \$8.2 million in 1978 and \$4.5 million in 1979. The major necessities are rice, maize and sugar.

25. The 1980/81 agricultural year has been one of the worst in the last 10 years. Crops were on the average only about 30 per cent of normal. Insufficient rain, combined with its interruption after the planting period, caused the loss of a greater part of the crop. But the succession of bad agricultural years, leading to the exhaustion of reserves, displacement of people and the discouragement of farmers, has now led to a structural food deficit that will need more than emergency intervention.

26. The new Government proclaimed food security as its main concern. A director was appointed for the Food Security Planning Bureau, and measures are being taken to control reception and distribution of food aid and to improve the use of the counterpart funds for food sold which will be credited to the National Development Fund. This effort at internal reorganization should permit better planning in the food sector. Recent donations of food aid are given in the following table:

Table 4  
Food aid to Guinea-Bissau  
 (Thousands of United States dollars)

	1977	1978	1979
SIDA	2 504	1 467	1 385
Denmark	-	1 474	1 455
USAID	694	1 968	-
Norwegian Agency for International Development (NORAD)	572	-	850
Netherlands	-	585	-
United Kingdom of Great Britain and Northern Ireland	-	570	-
Union of Soviet Socialist Republics	-	318	-
France	345	-	112
Federal Republic of Germany	681	210	-
China	-	160	-
EEC	640	849	755
WFP	-	558	12
World Council of Churches	-	21	-
Total	<u>5 536</u>	<u>8 180</u>	<u>4 569</u>

27. Information on the food aid received in 1980 is not yet complete. Only the aid received from France, SIDA and WFP, amounting to about \$1,247,000, has so far been accounted for.

B. Food needs: 1981

28. With the accumulated food deficit from the past three poor harvests and the exhaustion of reserves of food in the countryside food has become scarce. Food needs have been calculated at 54,000 tonnes of rice, 26,000 tonnes of maize,

2,000 tonnes of sorghum, 3,000 tonnes of edible oil, 6,000 tonnes of sugar, 7,000 tonnes of wheat-flour, 600 tonnes of powdered milk, 700 tonnes of potatoes and 700 tonnes of butter oil.

C. Food pledges: 1981

29. So far, only 55,865 tonnes of food aid have been pledged for 1981 (details are given in table 5). As a result of the extremely difficult situation in 1980, which led to widespread hunger, the Government took exceptional measures to ensure food security in 1981, including the commercial purchase of 15,000 tonnes of rice from Pakistan. However, the shortage of foreign exchange and the accumulated arrears of payments make it impossible for the country to meet the food deficit through further commercial purchases. Additional pledges of food aid for 1981 are urgently required.

Table 5

Food aid pledges for 1981

<u>Rice</u>	<u>Tonnes</u>
USAID	8 000
SIDA	6 500
Pakistan	5 000
Netherlands	3 500
EEC	2 000
WFP	2 000
Union of Soviet Socialist Republics	1 000
Italy	1 000
Federal Republic of Germany	600
EEC	2 415 <u>a/</u>
Guinea-Bissau	15 000 <u>b/</u>
	<u>47 015</u>

a/ Late delivery of 1980 pledges.

b/ Purchased by Government from Pakistan.

Table 5 (continued)

<u>Maize</u>	<u>Tonnes</u>
France	1,000
WFP	6,350
	<u>7,350</u>
<u>Sorghum</u>	
USAID	500
	<u>500</u>
<u>Wheat-flour</u>	
France	1,000
	<u>1,000</u>
Total pledges	<u>55,865</u>

30. Considering the structural food deficit, the Government is hoping to create an emergency reserve and is seeking medium-term agreements with donors in order to be able to plan food supplies for the population and to give greater stability to its development programmes.

#### IV. INTERNATIONAL ASSISTANCE

31. Guinea-Bissau has a steady flow of foreign assistance, particularly for project funding. The fact that Guinea-Bissau was largely a military outpost prior to independence and only inherited minimal economic and social infrastructure has made heavy investments necessary, particularly in such expensive fields as transport, energy and telecommunications.

32. The major bilateral sources of assistance are the following (in order of the amount of assistance provided):

Netherlands: Funding covers most economic and social fields, with one third loans and two thirds grants.

Sweden: Funding, particularly in the fields of telecommunications, energy, agriculture and balance-of-payments support. Funding and technical assistance to small industry has been increasing. Most assistance has been in the form of grants.

Union of Soviet Socialist Republics: Has been providing funding for energy infrastructure, mining, fisheries and other sectors. It is also providing

technical assistance in a variety of fields, particularly that of health. Assistance is usually in the form of loans.

China: Funding and technical assistance in the fields of agriculture and health, and balance-of-payments aid. About half the assistance consists of interest-free loans.

United States of America: Grants concentrated in the fields of agriculture and education and balance-of-payments aids.

German Democratic Republic: Grants and some loans for telecommunications, agriculture, industry and other sectors.

Portugal: Loans for commerce, public works, education and other sectors.

France: Grants in the fields of commerce, agriculture, public works, education and others.

Cuba: Grants and technical assistance in telecommunications, agriculture, public works and other sectors.

Norway: Assistance has been given to transport, telecommunications, public works, agriculture and other sectors, mostly in grant form.

Federal Republic of Germany: Assistance in the fields of commerce, energy and agriculture.

Denmark: Balance-of-payments assistance.

Other minor donors have not been listed for lack of detailed information on their participation.

33. Guinea-Bissau also received assistance from a number of multilateral programmes, banks and funds. The following are the major sources:

EEC: The major multilateral donor; assistance is given in almost all major economic and social sectors.

UNDP: Assistance in a variety of fields, with priority to agriculture.

United Nations Children's Fund (UNICEF): Assistance in rural water projects, health and education.

Food and Agriculture Organization of the United Nations (FAO): Assistance in agricultural projects and studies.

Organization of Petroleum Exporting Countries (OPEC): Balance-of-payments assistance.

United Nations Fund for Population Activities (UNFPA): Assistance with the national census and family planning.

WFP: Food aid.

World Health Organization (WHO): Technical assistance in the health sector.

34. The major banking institutions funding projects in Bissau are the African Development Fund (ADF) and African Development Bank (ADB), the World Bank, the Kuwait Fund, the Saudi Fund, and the Caisse centrale de coopération économique.

35. In addition, a number of voluntary and non-governmental organizations are providing funding or technical assistance in agriculture, health and education.

36. The flow of foreign assistance for projects, food aid and some balance-of-payments aid has been fairly regular. Investment expenditure, however, has accounted for a relatively high proportion of assistance and the Government has found it difficult to meet the domestic and foreign exchange costs associated with the projects. This has led to deficiencies and delays in project implementation as a result of a lack of spare parts, maintenance, repairs and petroleum supplies. In agriculture, the introduction of modern techniques through projects has sometimes led to delays and poor performance because of the Government's inability to supply necessary inputs regularly. A basic intersector support programme with the following main features is considered necessary by the Government to ensure effective use of past project assistance and to carry out its new programme:

(a) \$12 million will be needed annually for maintenance and spare parts for the modern sector;

(b) \$6 million to \$8 million will be required for necessary inputs for rural development;

(c) \$10 million is needed annually for petroleum products to assure regularity of supply and thus avoid costly disruptions of service, particularly in the industrial sector;

(d) \$5 million to \$8 million is needed to create a food reserve and to cover the structural food deficit;

(e) Construction materials: Guinea-Bissau has neither cement nor iron, and stone is very scarce. Most construction materials have to be imported. Building a minimum reserve of construction materials for different sectors is therefore necessary, and the needs have been estimated at \$5 million a year.

37. Such an intersector support programme would allow past investments in projects to be better utilized and would permit the Government to plan its development better. The needs in assistance for such a programme would amount to between \$40 million and \$45 million annually for the next four years. The Government believes that the international community should give serious consideration to programme loans, or programme support, rather than concentrating on assistance for projects.

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V. PROGRESS IN IMPLEMENTING THE SPECIAL  
ECONOMIC ASSISTANCE PROGRAMME

38. Fewer than half of the projects included in the special economic assistance programme for Guinea-Bissau have attracted international support during the past three years. Of the 89 projects reviewed by the mission, 24 projects had been fully financed and 17 other projects have secured partial funding. Nine projects previously included in the programme have been withdrawn by the Government. No international support has been forthcoming for 39 projects.

39. Table 6 provides a list of projects identified in earlier reports that either have been completely funded or have been withdrawn by the Government and provides information where the source of funding differs from that given in table 5 of the annex to document A/34/370 or where new funding has been provided. Table 7 lists projects for which partial funding has been arranged or provided. Table 8 lists projects which have attracted no international funding and new projects for which the Government is seeking international assistance. Details of the 13 new projects identified by the Government, together with information about previously reported projects that have been modified, are given in the appendix. It should be noted that in many cases cost estimates are not available as further studies and documentation are required.

Table 6

Summary statement of projects which  
have been withdrawn or funded

	Project	Remarks
M-1	Reinforcement of the Commissariat of Finance	Funded by Sweden, Netherlands and UNDP
M-2	Reinforcement of the Commissariat of Economic Development and Planning	Funded
M-3	Management and promotion of trade	Funded
A-3	Soil studies	Funded
A-4/ A-5	Development of crop production	Funded by FAO, UNDP and USAID
A-7	Urgent recovery of food-stuff production	Funded
A-8	Vegetable and fruit production and horticulture	Survey mission funded by France

Table 6 (continued)

	Project	Remarks
A-10	Forestry development	Withdrawn
A-11	Timber transport	Funded
A-12	Poultry production in villages	Withdrawn
A-14	Small boats	Withdrawn
A-15	Regional development projects	Funded by EEC, SIDA, FAO, Canadian University Students Overseas (CUSO) and UNDP
F-2	Cold-storage and deep-freezing complex at Bissau	Funded
I-1	Cumeré agro-industrial complex	Funded
I-2	Palm-nut dehusking plants	Withdrawn
I-6	Credits for industrial development	Withdrawn
I-8	Spare parts management system	Withdrawn
G-4	Rural water supply and distribution	Funded
G-5	Stocktaking of the Directorate of National Resources	Funded
G-11	Protection against forest fires (pilot project)	Funded
H-1	Training of "secouristas"	Funded
H-2	Training of multi-purpose community health workers	Funded by a non-government organization from the Federal Republic of Germany
H-3	Vaccination campaigns	Funded by WHO
T-3	Port equipment	Funded
T-4	Coastal vessels	Funded
T-5	Major ferry-boat	Funded
T-7	Small ferries	Withdrawn
T-9	General transport barges	Funded
T-10	Small barges	Withdrawn
T-11	Berthing facilities for barge traffic	Withdrawn
T-22	Rehabilitation of the public works shops and related equipment	Funded by EEC
L-1	Apartments for technical co-operation staff in Bissau	

Table 7

Summary statement of projects which  
 have been partially funded

	Project	Remarks
A-1	Reinforcement of the Commissariat of Rural Development	No change from previous reports
A-2	Improving control of plant pests	Government gives highest priority to this project
A-9	Poultry and pig production	Discussions have commenced with ADB and SIDA concerning additional financial assistance to complete the programme
A-13	Training agricultural extension workers	A recent FAO mission is in the process of completing a project document. The estimated cost is \$1 million, for which financial assistance is required
F-2	Small cold-stores and fish-curing equipment	No change from previous reports
I-18	Construction materials industry	No change from previous reports
G-1	Hydrological studies of river basins	Although FAO and UNDP have provided some funds for this project, an additional \$300,000 is needed
T-2	New ocean port	)
T-6	Ferry-boat terminals	)
T-14	Maritime safety inspection	)
T-15	Improvement of navigational aids	)
T-16	Training in navigation and shipping maintenance	Projects consolidated into a major World Bank programme
T-18	Navigational aids	)
T-19	Dredging of Bissau port	)
T-20	Construction of river ports	)
T-8	Equipment for People's Stores	Although some equipment has been provided, more is needed. However, the additional costs have not yet been determined
E-5	Self-help construction of rural schools	No change from previous reports

Table 8

Summary statement of projects for which  
 no funding has been provided

Project	Remarks
A. <u>Projects listed in previous reports</u>	
M-4 Accountancy and management systems	No change from previous reports
F-1 Reinforcement of the State Secretariat for Fisheries	No change from previous reports
I-3 Sugar production	A study has been prepared by a private firm. A Government decision on the study is expected soon. Financial requirements are not yet available.
I-4 Reinforcement of the Directorate-General of Industry	No change from previous reports
I-5 Small centre for adaptation of technology	No change from previous reports
I-7 Quality control laboratory for materials and industrial products	No change from previous reports
I-11 Reorganization of shipyard facilities	Cost estimate is now \$3.4 million
I-13 Cashew-nut processing	Cost estimate is now \$2.5 million
I-14 Manioc-flour production	No change from previous reports
I-17 Packaging industry	No change from previous reports
I-19 Support for small-scale fishing enterprises	No change from previous reports
G-2 Preliminary study of sites for tidal control dams	No change from previous reports
G-3 Control of groundwater resources	No change from previous reports
G-6 Assistance in establishing the Forestry Department	No change from previous reports
G-8 Creation of regional centres to manage, repair and maintain water-supply equipment	No change from previous reports
G-10 Protection of wild animal life	No change from previous reports

Table 8 (continued)

	Project	Remarks
T-1	Reinforcement of the Commissariat of Transport	No change from previous reports
T-12	Provision of airstrips	No change from previous reports
T-23	Construction of small bridges	No change from previous reports
T-24	Improved planning, management, operations and maintenance of the national aviation company	No change from previous reports
T-25	Construction of a maintenance hangar for the national air fleet	Cost estimate is now \$3 million
T-26	Modernization of the national transport company	New project title
E-2	Primary teacher training	No change from previous reports
E-4	Provision of educational equipment and supplies	No change from previous reports
E-7	Literacy	No change from previous reports
E-10	Support for regional education services	No change from previous reports
P-2	Preparation and treatment of poles for electric power lines	No change from previous reports
P-3	Installation for testing electrical equipment	No change from previous reports
P-4	Fellowships	No change from previous reports
C-1	Establishment of a telecommunications network	No change from previous reports
B.	<u>Modified projects</u> (see appendix for details)	
A-6	Installations for handling paddy	
A-16	Support for a national agricultural, social and economic survey	
I-10	Reinforcement of the national printing press facilities	
I-12	Small foundry	
I-15	Wood industry	
I-16	Textile and shoe industry	Textile studies funded by Portugal. Shoe industry incorporated in new project I-21

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Table 8 (continued)

Project	Remarks
G-7 Forest inventory	Incorporated in project G-9
G-9 Aerial photography, forest inventory, classification and a programme of reafforestation	
T-13 Improvement of water transport	Incorporated in new project T-27
C. <u>New projects</u> (see appendix for details)	
T-27 Creation of National Transport Authority	
T-28 Road construction	
T-29 Construction of a docking ramp for ferry services	
A-17 Pilot programme for rice production	
A-18 Pilot programme for palm-oil and coconut production	
A-19 Agricultural credit	
A-20 Production, distribution and commercialization of agricultural products	
A-21 Development of small valleys in zone II	
A-22 Development of co-operatives	
H-4 Training	
H-5 Reinforcement of health services in rural areas	
H-6 Other requirements for infrastructure and technical assistance in the health sector in Guinea-Bissau	
I-21 Establishment of a technical development centre for leather products	

APPENDIX

Details of individual projects in the  
special economic assistance programme

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	<u>Paragraphs</u>
A. Modified projects . . . . .	1 - 6
B. New initiatives in the transport sector . . . . .	7 - 13
C. New initiatives in the agricultural sector . . . . .	14 - 19
D. New initiatives in the health sector . . . . .	20 - 24
E. Industry . . . . .	25

A. Modified projects

A-6 Installations for handling paddy

1. Assistance is still required to provide 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.

A-16 Support for a national agricultural, social and economic survey

2. Although this is a high priority area, the Government is reconsidering its approach to the problem.

I-10 Reinforcement of the national printing press facilities

3. Although Sweden has provided some assistance, financing is still required for additional training and equipment.

I-12 Small foundry

4. Funding for a feasibility study is first required for this project. The total assistance required to implement the project is estimated at approximately \$2 million.

I-15 Wood industry

5. A State enterprise, which operates furniture and parquet factories, is now negotiating for the construction of a veneer factory. Financing needs are still to be determined.

G-9 Aerial photography, forest inventory, classification and a programme of reafforestation

6. The aerial photography portion of the project has been completed under a programme financed by the Netherlands. The following financing is still needed:

	<u>US dollars</u>
Forest inventory	575 000
Forest classification	744 000
Reafforestation	<u>1 100 000</u>
Total estimated cost	2 419 000



B. New initiatives in the transport sector

7. The Government of Guinea-Bissau plans to establish a national transport authority, as a parastatal enterprise, charged with the transport of merchandise throughout the country together with the transport of persons by the national waterways.

8. It will also be necessary to construct new roads that will benefit the rural inhabitants by facilitating the transport of their products to the market places. The roads in question will connect Bissau to Prabis and Bissau to Quinhamel. These roads will serve an area of dense population and link areas producing nuts, fish, vegetables, fruits, chickens, eggs, oysters, etc., to the market centre, Bissau. The present earth roads are impassable during the rainy season. With regard to river transport, it will be necessary to provide docking facilities for ferries to connect Bissau and the interior.

T-27 Creation of National Transport Authority

9. A study funded by the African Development Bank provides guidelines for this project.

10. The Government intends to use expatriate technical assistance for a period of two years to take charge of training as well as operational tasks as a first phase in the establishment of this enterprise.

11. The first estimates of technical assistance needed for this two-year period are: 1 expert in general management, 1 expert for the finance department, 1 expert in planning and operations, 2 experts in maintenance, 2 experts in training, 1 expert in stock and spare parts control. Approximately \$750,000 would be needed for this first phase.

T-28 Road construction

12. The Government intends to construct two roads: the first, Bissau-Prabia (14 kilometres); and the second, Bissau-Quinhamel (24 kilometres), following a study funded by France. The present poorly maintained earth roads are unusable during the rainy season. Reinforcement of the Sub-Base, compaction and drainage would be required to prevent further erosion. For the Bissau-Prabia road, a bitumen topping is envisaged; for the Bissau-Quinhamel road, a gravel topping is planned. The estimated cost is \$5,000,000, which includes studies, design, construction and supervision.

T-29 Construction of a docking ramp for ferry services

13. The Government intends to put into service a 45-ton ferry, which has been purchased from the Netherlands, across the river Geba, which separates the north of the country from the south. The ferry service will link Bissau to Enxudé, a distance of 17 kilometres, and thus provide new opportunity for development in

this region. This will necessitate the construction of a docking ramp on the Bissau side to replace the existing unsatisfactory facility. The total cost is approximately \$300,000, which includes the necessary technical studies.

C. New initiatives in the agricultural sector

Projects

A-17 Pilot programme for rice production

14. This programme should be preceded by a technical study costing approximately \$750,000.

A-18 Pilot programme for palm-oil and coconut production

15. The Government is now examining a 1980 FAO proposal for this project. Financial requirements have not yet been determined.

A-19 Agricultural credit

16. An FAO mission report for such a programme has been submitted to the Government. The financial implications are not yet known.

A-20 Production, distribution and commercialization of agricultural products

17. An FAO mission report for such a programme has been submitted to the Government. The financial implications are not yet known.

A-21 Development of small valleys in zone II

18. This project has been identified by an FAO mission. Documentation is available and the estimated financial needs amount to \$750,000 over a three-year period.

A-22 Development of co-operatives

19. This project has been identified by an FAO mission. Documentation is available and the estimated financial needs amount to \$800,000 over a four-year period.

D. New initiatives in the health sector

20. Although the health problems mentioned in previous reports have not significantly changed, the Government health delivery programme is still evolving, with modifications of priorities and project emphasis.

21. It is now projected that the planned health system will be made up of 125 operational health centres, 15 to 18 twenty-bed sector hospitals, 6 regional hospitals and central facilities, including the national hospital. Several projects

are already being implemented (construction of 2 sector hospitals and 4 health centres with EEC assistance, and the construction and renovation of 28 health sectors in the regions of Tombali, Quinara and Cachaeu with assistance (from the Netherlands). None the less, considerable financial and technical assistance is still required to complete the basic health infrastructure system and to ameliorate the present difficult operating conditions, which are characterized by insufficient qualified personnel, medicines, medical equipment and maintenance facilities. Thus, there is an urgent and immediate need for the maintenance and repair of a large number of existing health units, particularly in the rural health centres. The Government also gives a high priority to the training of nurses, medical technicians, administrators, and logistic and management personnel.

## Projects

### H-4 Training

22. The Government intends to use the l'Ecole technique Fernando Cabral to provide training for health personnel. Candidates would be selected from the rural regions of the country where the most dramatic needs have been noted. It will be necessary for the trainees to receive a stipend of \$100 per month per student during the period of attendance at this technical school. This sum corresponds to the minimum legal wage currently in force in Guinea-Bissau. The most urgent training needs would be for nurses (diplomés d'Etat), midwives, X-ray technicians and social workers. The annual budget for 200 students in such a programme amounts to \$344,000 annually or \$1,032,000 for three years.

### H-5 Reinforcement of health services in rural areas

23. With regard to the reinforcement of infrastructure, a new 20-bed sector hospital is planned for Quinhamel, in the region of Biombo, at an estimated cost of \$339,000. In the same region, three new rural health centres are planned at a cost of \$660,000. Urgent repairs are required for various health facilities in rural areas at a cost of \$300,000. Medicines and medical supplies over a three-year period are expected to cost \$750,000. The purchase of maintenance equipment, office equipment, bed-linen for patients and personnel would amount to \$352,000. The cost of the vehicles needed is estimated at \$150,000. Training of local personnel and the cost of expatriate assistance is estimated at \$449,000. The total financial requirements for this project are estimated at \$3,000,000.

### H-6 Other requirements for infrastructure and technical assistance in the health sector in Guinea-Bissau

24. In February 1981, the African Development Bank completed a report on these needs. The estimated cost is approximately \$8,000,000. The principal features of this programme are as follows:

(a) Infrastructure. Construction of a boarding-school for health workers in Nhacra, together with ancillary equipment. The construction of small-operating theatres for sector hospitals.

(b) Technical assistance. Assistance is required in the areas of logistics, personnel management, financial management and monitoring of construction for three to five years. In addition, nurses are required for existing health facilities for three to five years.

#### E. Industry

##### I-21 Establishment of a technical development centre for leather products

25. There is an adequate supply of hides for treatment in a small tannery, and the Government is seeking to reduce imports by producing footwear. The leather and leather-products sector in Guinea-Bissau is still at an early stage of development. Several very small independent shoemakers produce and repair shoes as well as other leather articles; but there are no significant establishments which specialize in the manufacture of footwear. Only a small proportion of local hides are treated for use by local industry and for export. Accordingly, the Government is planning the establishment of an industrial tannery and a shoe factory in 1982. Both of these projects will require technical assistance. The estimated cost of the project has not yet been determined.

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