



## General Assembly

Distr.  
GENERAL

A/36/283  
17 November 1981

ORIGINAL: ENGLISH

Thirty-sixth session  
Agenda item 72 (b)

### SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE

#### Assistance to Equatorial Guinea

#### Report of the Secretary-General

1. In its resolution 35/105 of 5 December 1980 on assistance for the reconstruction, rehabilitation and development of Equatorial Guinea, 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 Equatorial Guinea and to keep the situation in that country under constant review. To this end the Secretary-General was asked to arrange for a review of the economic situation of Equatorial Guinea 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 accordingly arranged with the Government of Equatorial Guinea for a review mission to visit the country and 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, 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.
3. In General Assembly resolution 35/105, Member States, regional and other intergovernmental organizations, and the appropriate specialized agencies and international financial institutions were also requested to co-operate closely with the Secretary-General in the work on organizing an effective international programme of assistance and to report periodically to the Secretary-General on the steps taken and the resources made available.
4. In paragraph 12 of the same resolution, the General Assembly invited a number of specialized agencies and other organizations of the United Nations system to bring to the attention of their governing bodies the special needs of Equatorial

Guinea and to report the decisions of those bodies to the Secretary-General by 15 August 1981. The text of resolution 35/105 has been communicated to the relevant agencies and organizations and their attention has been drawn to the specific requests addressed to them by the Assembly. The replies of the agencies and organizations are reproduced in a report of the Secretary-General covering Equatorial Guinea and a number of other countries for which the Assembly requested the Secretary-General to organize special economic assistance programmes (A/36/599).

ANNEX

Report of the review mission to Equatorial Guinea

(21-26 September 1981)

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## I. INTRODUCTION

1. The report of the Secretary-General on assistance to Equatorial Guinea (A/35/447 and Add.1) was considered by the General Assembly at its thirty-fifth session. Annexed to that report was the full report of the interagency mission which had been dispatched to Equatorial Guinea in July 1980 in implementation of resolution 34/123 of 14 December 1979.
2. On 5 December 1980, the General Assembly, in resolution 35/105, endorsed fully the assessment and recommendations of the mission to Equatorial Guinea contained in the annex to the report of the Secretary-General and renewed its appeal to all Member States, specialized agencies and other organizations of the United Nations system and international economic and financial institutions to contribute generously to the reconstruction, rehabilitation and development needs of Equatorial Guinea.
3. The General Assembly also requested the Secretary-General to arrange for a review of the economic situation of Equatorial Guinea 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-sixth session. Arrangements were accordingly made for a United Nations review mission to visit Equatorial Guinea from 21 to 26 September 1981. The mission was led by the Director of the Office for Special Political Questions of the Secretariat.
4. The head of the mission was received by the Second Vice-President and Commissioner of State for Labour, His Excellency Mr. Eulogio Oyo Riquesa. The mission met on separate occasions with the Commissioner of State for Education and Culture, the Commissioner for Finance and Trade, the Governor of the National Bank as well as senior representatives of all the other ministries directly concerned: Agriculture, Planning, Health, Interior, Labour, Economic Development and Co-operation, and Public Works. Talks were also held with members of the diplomatic corps and representatives of United Nations and other international governmental and non-governmental organizations.
5. The mission wishes to place on record its appreciation of the assistance and co-operation it received from the Government of Equatorial Guinea in providing documents and information required for the review. The mission would also like to thank the Resident Representative of the United Nations Development Programme (UNDP) in Malabo and members of his office for their help.

## II. BACKGROUND

6. Equatorial Guinea consists of two parts: continental Guinea or Río Muni, on the West African mainland, and insular Guinea, consisting of the islands of Bioko and Annobón. Malabo, the national capital, is on the island of Bioko. The enclave of Río Muni is bordered to the north by the United Republic of Cameroon and to the east and south by Gabon. The small island of Annobón is situated about

600 kilometres south-east of Malabo. The distance between the various provinces of the country makes communication costly and complicated and contributes to the problems of Equatorial Guinea.

7. Equatorial Guinea became independent of Spain in October 1968. The country was then ruled by President Francisco Macías Nguema until his overthrow in August 1979. During this period there was a large exodus of nationals as well as expatriates. This resulted in the loss of almost all the country's trained manpower and entrepreneurial, professional, technical and administrative competence.

8. On assuming office in August 1979, the present Government found that the economic and administrative structure had been virtually destroyed. There were no foreign exchange reserves, productive enterprises had almost ceased to function, and agricultural output and export crops had fallen to unprecedentedly low levels. Schools, hospitals and other basic institutions had either been closed or were operating in such a way as to provide a service totally inadequate to meet the needs of the people. Returning refugees imposed an additional burden on the administration.

9. Nevertheless, Equatorial Guinea is favoured in many ways. The climate and soil conditions are excellent for food crops as well as cash crops for export. Preliminary investigations suggest that there may also be mineral resources.

10. The Government recognizes that its development plans depend on the restoration of confidence. To that end it has sought the professional assistance of the Division of Human Rights of the United Nations Secretariat and has also embarked on a programme to re-establish the indispensable administrative infrastructure, raising minimum wage levels, passing a new education law governing school attendance and curricula, enacting new labour legislation etc. This is important for foreign investment. It is essential also to attract the foreign labour needed on the estates; at one stage there were up to 40,000 Nigerians working in Equatorial Guinea.

### III. ECONOMIC SITUATION

#### A. General

11. A major problem in the way of development planning in Equatorial Guinea continues to be the lack of basic statistical data. Reliable population figures are not available. On the basis mainly of a census conducted by Spain in 1960, the population is variously estimated to be between 250,000 and 300,000, or even more, including nationals currently resident in neighbouring States. Many are believed to have fled the country during the previous régime, and, while some have returned, their numbers cannot be accurately estimated. Preparations are now in hand for a population census which is to take place in October 1982.

12. Economic and financial data are gradually being compiled. When these statistics become available, it should be possible to assess Equatorial Guinea's case to be considered as one of the least developed among the developing countries. The Government maintains that present conditions meet the criteria (relating to per capita gross domestic product (GDP), share of manufacturing output in total GDP and rate of adult literacy) established by the Committee for Development Planning. It hopes that further statistical material, as this becomes available, will substantiate their claim. The mission found ample evidence of economic and social hardship and would strongly support the Government's claim for special measures of assistance similar to those accorded to the least developed countries until conditions in the country improve radically or until such time as Equatorial Guinea is included in the list of least developed countries.

#### B. Government objectives

13. The four principal objectives pursued by the Government have been: to re-establish a functioning public service; to restore the confidence of the earlier plantation owners and foreign investors so as to encourage them to resume productive activities; to obtain the necessary external financial and technical assistance to begin reconstruction activities; and to improve real wages, especially in the agricultural sector.

14. Under an agreement with the International Monetary Fund (IMF) entered into in June 1980, the Government undertook certain measures for economic recovery and stabilization. The principal measures were to achieve budgetary balance, to liberalize imports, to regularize customs duties, to expand private sector credit, to devalue the ekwele a/ by 50 per cent and to increase agricultural wages by 20 per cent.

15. By the end of 1980, there were some signs of economic recovery, particularly in the commercial sector, and external concessional finance and grants were being made available. However, certain negative developments also occurred: an unanticipated increase in the external trade deficit; an increased budget deficit resulting from extrabudgetary expenditures; the rapid expansion of domestic credit which was not always channelled to directly productive sectors; and a continued reluctance on the part of foreign plantation owners and other entrepreneurs to return and resume commercial activities. It was also proving difficult to mobilize the large labour force required for increased plantation production of cocoa.

16. Consequently, the Government decided to take further steps to promote economic recovery. These included the establishment of a high-level committee to supervise the implementation of the budget; the establishment of closer control over the conduct of fiscal policies; a reduction of the cocoa export tax; and the transformation of state enterprises into autonomous organs with the obligation not to operate at a loss.

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a/ \$US 1 = 178 ekwele (plural bipkwele - BK).

17. Over the past two years, Spain has been the principal source of technical co-operation and financial assistance. The IMF has also provided substantial support. The People's Republic of China, France, the European Economic Community (EEC) and the United Nations system have contributed increasingly through assistance programmes. Other sources of aid have been Cuba, Gabon, the Republic of Korea, the United Republic of Cameroon, the United States of America and the Union of Soviet Socialist Republics.

C. Gross domestic product

18. On the basis of more complete information now available, it has become possible to present a clearer picture of the economic and financial situation. Estimates of GDP for the period 1960-1975 are given in table 1.

Table 1

Gross domestic product (at factor cost)

(Millions of US dollars)

	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
At current prices	39.4	59.5	74.0	66.1	67.0	70.3	88.6	106.1
At constant (1970 prices)	53.2	61.5	74.0	67.1	62.1	56.1	57.6	57.7

Source: Government of Equatorial Guinea.

19. Table 1 shows that after achieving an average annual real growth rate of a little over 3 per cent during the 1960s, the real GDP declined during the three years 1970-1973. In 1975 the real GDP was only at the level of the early 1960s, and 22 per cent lower than in 1970. Recent studies conducted for the Government indicate that between 1975 and 1979 a further decline in GDP occurred. In current values, it is estimated that GDP in 1979 was some 25 per cent below that of 1970; in real terms this would reflect a very large reduction. During the 1970s the GDP per capita at current prices is estimated to have fallen over 30 per cent, and at constant prices by nearly 80 per cent. This decline is principally attributed to lower production in agriculture, forestry and fisheries, where the value of output fell by 42 per cent at current prices between 1970 and 1979.

20. The economy of Equatorial Guinea remains predominantly agricultural. In 1975, the last year for which statistics were established, agriculture and government services together accounted for about three quarters of GDP. Industry and artisanal activities probably did not represent more than 5 per cent of GDP in the late 1960s and even less today.

D. Balance of payments

21. The current liberalized import programme is aimed at providing the necessary inputs for the recovery of the productive sectors and for a renewal of economic activity generally. The value of imports rose by 56 per cent in 1980, to some \$33 million, and in the first half of 1981 by a further 51 per cent (at an annualized rate). In 1980 the value of exports dropped sharply, reflecting the organizational problems associated with the change in government. The trade deficit, as a result, reached \$21.1 million, the highest ever. In the first half of 1981, exports recovered at least to their 1977-1979 level, but in the face of rapidly escalating imports the trade deficit widened further. It will take considerable time before the greater availability of imports is accompanied by an increase in exports, and meanwhile an adverse trade balance may be expected to continue. In view of this, the Government has moved to strengthen its import licensing procedures.

Table 2

Balance of payments

(Millions of US dollars)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u> (8 months)
Exports (f.o.b.)	28.3	9.7	26.6	21.7	25.5	11.8	11.4
Imports (c.i.f.)	19.2	12.1	9.6	14.9	21.1	32.9	24.8
<u>Trade balance</u>	<u>9.1</u>	<u>-2.4</u>	<u>17.0</u>	<u>6.8</u>	<u>4.4</u>	<u>-21.1</u>	<u>-13.4</u>
Net services and transfers	-7.1	0.2	-0.3	-0.3	-0.9	+2.4	-1.4
(of which transfers)	(n/a)	(n/a)	(n/a)	(n/a)	(-0.1)	(+3.1)	(n/a)
<u>Current balance</u>	<u>+1.9</u>	<u>-2.2</u>	<u>+16.7</u>	<u>+6.5</u>	<u>+3.5</u>	<u>-18.7</u>	<u>-14.8</u>
<u>Over-all balance</u>		<u>-10.3</u>	<u>-8.8</u>	<u>+2.7</u>	<u>-10.7</u>	<u>+6.1</u>	<u>-12.5</u>

Source: Government of Equatorial Guinea.

22. As can be seen from table 2, the balance on current account shows a sharp movement into deficit in 1980, reaching \$18.7 million. A similar position is to be expected in 1981.



23. Equatorial Guinea has received IMF support through a number of facilities. In addition to the standby credit of SDR 5.5 million, of which SDR 3 million was drawn in mid-1980 and SDR 2.5 million in early 1981, compensatory financing for shortfalls in export earnings totalling SDR 10.5 million has also been obtained (6.4 million in late 1980 and 4.1 million in early 1981). In addition, SDR 4.5 million was received from the Trust Fund (from IMF gold sales) in November 1980, and an SDR 1.02 million allocation was given from the SDR distribution of January 1981. Foreign grants amounted to only \$3.1 million in 1980.

24. There has been little foreign investment in recent years. Foreign investment is regarded as essential for the rehabilitation of plantation agriculture and for the establishment of local manufacturing of basic commodities, and an early act of the new Government was to promulgate relevant legislation for commerce and industry. Legislation governing foreign participation in the mining sector was introduced in April 1981 and legislation covering the petroleum sector is now being formulated. It has been decided to study the establishment of a "one-step" foreign investment bureau in the Office of the Presidency, and when the Government finalizes its investment priorities it is hoped that more significant private capital inflows will materialize.

25. A capital grant of \$1.75 million was provided by the United Nations Capital Development Fund in September 1981. Under the grant, 14 cocoa co-operatives in Río Muni will receive transport equipment, drying and processing equipment and agricultural inputs.

#### E. Foreign debt

26. The recorded foreign debt outstanding when the present Government came to power in 1979 was \$25.3 million. Since August 1979, the Government entered into additional loan agreements totalling \$43.1 million, of which \$11.9 million had been drawn at the end of 1980. Thus, foreign debt obligations at the end of 1980 amounted to \$37.2 million, and debt servicing obligations on this amount are estimated at about \$3 million annually for 1982 and 1983.

27. The external loan agreements entered into between August 1979 and the end of 1980 are as follows:

- (i) African Development Bank (ADB): \$8 million;
- (ii) Spain: Three lines of credit on concessional terms;
  - (a) \$4 million for fisheries infrastructure, including fuel storage tanks, storage facilities and freezing equipment;

- (b) \$10 million for various sectors: civil aviation works (\$4 million), health (\$3.5 million), education (\$2 million) and other needs (\$0.5 million);
- (c) \$7.4 million b/ for balance-of-payments support; c/
- (iii) Spain: Two lines of commercial credit for imports from Spain, one for \$9.5 million and the other for \$4.2 million.

28. By mid-1981, some \$14.3 million of the concessional credits from Spain had been drawn, leaving a balance of \$7.1 million, and some \$9.2 million of the commercial credits had been used, leaving a balance of \$4.5 million. At the end of 1980 only a small amount of the ADB loan had been disbursed.

#### F. Government budget

29. In spite of the fact that estimated revenue was 30 per cent higher than anticipated (see table 3), the 1980 over-all budget deficit, originally projected at BK 74 million, is now estimated by the Government at BK 1,147 million (\$6.4 million). In view of classification problems, the mission estimates that the actual deficit may have been of the order of \$8.4 million. The budget projection for 1981 shows a small surplus of BK 59 million (\$330,000). However, the projected revenue increase in 1981 is heavily dependent on increased cocoa and timber exports.

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b/ 700 million pesetas converted at \$1 = 95 Ptas.

c/ Can only be utilized if foreign exchange reserves fall below \$12 million for 45 consecutive days. The sum of \$5 million was made available in July 1981, of which \$1.9 million has been drawn.

Table 3

Government budget

(Millions of FK)

	1980 ( <u>projected</u> )	1980 ( <u>estimated actual</u> )	1981 ( <u>projected</u> )
<u>Current Revenue</u>			
Import duties	1 229	838	1 256
Export taxes	151	Nil	694
Other taxes	200	284	353
Other income	<u>371</u>	<u>1 410 a/</u>	<u>429</u>
	1 951	2 532	2 732
<u>Current Expenditure</u>			
Salaries	1 355	1 307 )	2 504
Goods and services	419	419 )	
Transfers	<u>75</u>	<u>76</u>	<u>74</u>
	1 849	1 802	2 578
Current surplus	102	730	154
Capital expenditure	<u>176</u>	<u>175</u>	<u>95</u>
<u>Over-all balance</u>	<u>-74</u>	<u>-1 147 b/</u>	<u>+59</u>

Source: Government of Equatorial Guinea.

a/ Includes extraordinary and contingent receipts of BK 811 million.

b/ Includes unbudgeted expenditures and other outflows amounting to BK 1,702 million.

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G. Money, prices, wages and employment

30. The money supply rose by BK 1,781 million in 1980, an increase of 49 per cent, and the level of credit provided to the private sector increased by BK 5,415 million. This monetary expansion was a reflection of the beginning of a recovery of economic activity. While comprehensive statistics are not available, the Government estimates that price levels did not change significantly during 1980 in spite of the 50 per cent devaluation in mid-year and the expansion of the money supply. More recently, however, some prices have risen, particularly in the retail prices of food products.

31. Minimum wages in the agricultural sector were raised from BK 4,500 per month to BK 7,000 per month in August 1979, and to BK 8,500 per month in December 1980. The minimum salary in the public service was established at BK 7,000 per month in August 1979 and has not subsequently been increased; the actual average public sector salary used for the current budget projection is BK 24,000 per month in the civil service and BK 13,000 per month in the military.

32. Wage employment is largely accounted for by government service, the cocoa plantations and timber extraction. The 1981 budget projected about 7,000 public employees. At a production level of 8,000 tonnes, the cocoa plantations are estimated to employ some 6,000 workers, mostly on the island of Bioko. Timber extraction employed some 3,000 to 4,000 persons in the late 1960s, but probably only a few hundred at present. Other commercial and artisan wage employment is unlikely to exceed 1,000.

H. Agriculture

33. Agriculture, in particular cocoa, coffee and timber, is the basis of Equatorial Guinea's economy. It also provides practically all of the country's foreign exchange. Following the events of the 1970s, the agricultural sector is today characterized by under-production and a serious dearth of the means of production: labour, machinery and management. Production of the three principal exports is shown in table 4. Palm oil, which had been an important export in the 1960s, is now imported.

Table 4

Exports of cocoa, coffee and timber

	<u>1967</u>	<u>1970</u>	<u>1975</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u> <u>(estimate)</u>
Cocoa (MT)	38,000	29,000	11,000	6,500	8,500	7,900	5,200	10,000
Coffee (MT)	8,000	5,000	2,000	400	500	Nil	150	400
Timber (M <sup>3</sup> )	337,000	150,000	90,000	5,000	45,000	8,000	27,000	45,000

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### 1. Cocoa

34. The normal yield on large cocoa plantations used to be 800 kg per hectare, with a maximum of 1,500 kg. However, with the current lack of specialized management and trained labour, productivity has dropped to around 300 kg per hectare and the quality produced is poor. Cocoa production fell to a post-independence low of 5,200 tonnes in 1980. With the increase in the minimum agricultural wage and the producer price of cocoa, some recovery of production is expected in 1981. On the other hand, the cocoa rehabilitation programme faces continuing difficulties because of the low price of cocoa on the world market.

35. Providing an adequate labour force for expanded production on the cocoa plantations of Bioko will, in the Government's view, mean again importing expatriate contract labour. This may necessitate further wage inducements and will also result in some foreign exchange burden due to earnings repatriation. But it is unlikely that the earlier number of labourers on the cocoa plantations will be fully reached, and expanded mechanization is therefore foreseen as a means to higher production levels. Unfortunately, even the machinery currently available (sprayers, huskers, driers and loading and handling equipment) is in a serious state of neglect and foreign exchange for parts and replacements remains difficult to obtain. Consequently, the rehabilitation of production to the levels of the late 1960s, i.e., up to 40,000 tonnes, will be far from easy.

36. At the end of 1980 only 12,000 hectares were cultivated out of a potential 25,000 hectares. The value of production in 1980 amounted to some BK 1,300 million (\$7.3 million). The Government has initiated a project with the support of the African Development Bank to rehabilitate, over a period of three years, 5,500 potentially cultivable hectares of cocoa plantation.

### 2. Coffee

37. In 1967, annual coffee production was 8,000 tonnes with some 22,000 hectares planted. Thereafter, as a consequence of the economic and social disturbances during the 1970s, production fell steeply, to practically nil in 1979 and a mere 150 tonnes in 1980. Twenty thousand hectares were abandoned during the 1970s. Commercial credits are now being made available to rehabilitate the plantations and the producer price has been increased. Unfortunately, the product is of generally low quality and does not command a good price in international markets. The recovery prospects for coffee are, however, improved by its being grown in Río Muni, where additional labour is more readily available than on Bioko where the cocoa plantations are.

### 3. Timber

38. Equatorial Guinea has valuable tropical hardwood resources in Río Muni. Nevertheless, timber exports fell drastically during the 1970s, from 337,000 cubic metres in 1967 to 8,000 cubic metres in 1979. Some recovery occurred in 1980, when

about 27,000 cubic metres were exported, earning about \$1.8 million in foreign exchange. Although nine companies have concessions covering 372,000 hectares, only three are active. It is understood that there are some 1.3 million hectares of exploitable forest, of which 500,000 hectares have already been partially harvested. The estimated yield is 25 to 30 cubic metres per hectare, which is high by African standards, and it is further estimated that some 300,000 cubic metres per annum can be gathered from 800,000 hectares of virgin forest. A UNDP-financed FAO project is providing technical assistance in the forestry sector.

#### 4. Livestock

39. Before 1969, the total cattle herd amounted to about 3,000 head. The production of meat and dairy products on Bioko was sufficient to satisfy demand on the island, although not in Río Muni. During the 1970s, the cattle herds were scattered, and today there are only about 400 head. There have been epidemics among the herds of swine. In consequence, Equatorial Guinea now imports all its commercial meat requirements.

#### 5. Fisheries

40. In the 1960s, the local catch amounted to 3,000-3,500 tonnes per annum, of which two thirds was artisanal and inland fishing. Imports were around 10,000 tonnes. At the time of independence, fish accounted for 80 to 90 per cent of the population's animal protein intake. However, the local fishing industry was drastically suppressed during the 1970s. Aid is now being received from France and EEC to revitalize fishing, and Spain is installing refrigeration facilities and depots and will provide additional assistance. UNDP is providing technical assistance in fresh-water fisheries.

#### I. Mining, industry and commerce

41. While there has so far been no significant exploitation of minerals in Equatorial Guinea, preliminary investigations of possible petroleum deposits have been promising. In addition, there may be commercially exploitable deposits of titanium, silica, manganese, uranium and alluvial gold.

42. Vestiges can be seen of the few light industries which had been active, such as manufacture of soap and dyes, ice making and a distillery, but these now operate at very low levels, where they function at all. The construction industry is virtually stagnant.

43. Under the previous government, commercial activity was largely in the hands of the State. However, the Government has now opened external and internal commercial activities to the private sector and welcomes foreign private participation (see para. 24 above).

#### IV. PROGRAMME OF REHABILITATION AND DEVELOPMENT

##### A. Development objectives

44. The interagency mission which visited Equatorial Guinea in 1980 was able to draw up a list of 59 projects in the vital sectors of agriculture and forestry, health, education, employment and labour, transport and public works as well as food assistance. These were divided into an emergency humanitarian assistance programme and programmes for urgent rehabilitation and reconstruction on the one hand, and medium-term and long-term development on the other. No precise definition of development priorities was possible at the time and no development plan existed. Subsequently, the Government of Equatorial Guinea has made significant progress in determining its objectives. In preparation for a donors' conference, planned to take place in March 1982, a number of documents have been formulated. At the time of the mission's visit, the documents were in the draft stage and still subject to revision. However, the mission was informed that the general development objectives could be expected to remain unchanged and will be presented, along with specific project proposals, to potential donors in the spring.

45. The objectives are: (a) to unify all parts of the national territory and thus guarantee the entire population its right to development; (b) to eliminate remaining vestiges of colonization in an effort to achieve genuinely autonomous development; (c) to establish an effective and dynamic public administration; (d) to develop popular participation; and (e) to integrate the country internationally, especially with other African countries.

46. The social objectives are: (a) to combat malnutrition; (b) to re-establish adequate basic conditions for public health; (c) to establish minimal medical care facilities throughout the country; (d) to improve housing; (e) to ensure schooling (including a programme to assist older children whose education during the 1970s was far from adequate); (f) to intensify professional training; and (g) to improve working conditions and wage levels, especially in the agricultural sector.

47. The social objectives are closely linked to priorities for economic development. Economic development in the short-term and medium-term is to be geared to: (a) rapid diversification of agriculture (including animal husbandry and fisheries) to meet the food needs of the population; (b) revival and modernization of activities relating to the traditional export crops, principally cocoa and timber; (c) research and studies into the possible exploitation of mineral and other natural resources; (d) development of industrial and artisanal activities; and (e) reinforcement of the infrastructure, including sources of energy and communications.

B. Food assistance

48. The interagency mission which visited Equatorial Guinea in 1980 was informed by the Government that the country would require food assistance for a period of two to three years, by which time it was hoped that domestic food production would have recovered sufficiently to permit the Government to meet the cost of necessary food imports. Meanwhile a programme of assistance was proposed to benefit vulnerable groups and displaced persons, as well as for food-for-work programmes and balance-of-payments support.

49. The most urgent humanitarian assistance was designed to meet the needs of hospital and leprosarium patients, to provide supplemental feeding for nursing mothers and infants, and to organize a pre-school feeding programme and a school feeding programme in addition to aid for displaced persons in the course of resettlement. The Government's estimate of immediate requirements totalled 9,520 tonnes at an approximate value of \$5 million.

50. From mid-1980 to mid-1981 the World Food Programme (WFP) gave support valued at \$1 million. A project for school and hospital feeding provided 418 tonnes of wheat flour, 118 tonnes of maize meal, 245 tonnes of powdered milk, 84 tonnes of sugar and 5 tonnes of vegetable oil. Another project for emergency feeding of displaced persons and returnees provided 540 tonnes of wheat flour, 180 tonnes of maize meal, 108 tonnes of powdered milk and 108 tonnes of vegetable oil. Further support for school feeding is being given from October 1981, and this will be supported by assistance from UNDP for the operation of the newly created school feeding service. A new project to stock a wheat-flour reserve is under discussion.

51. During 1981-1982 food assistance is expected from EEC (1,000 tonnes of rice), Spain (350 tonnes of wheat flour), France (460 tonnes of wheat flour), Italy (3,000 tonnes of wheat flour) and Argentina (5,000 tonnes of wheat flour through WFP).

C. Special economic assistance programme

52. Of the 57 economic assistance projects, apart from food assistance, presented in the addendum to the report of the 1980 mission (A/35/447/Add.1), five have been fully funded or withdrawn and partial funding has been secured for nine. Of the remainder, 26 have been modified or elaborated in the context of preparations for the donors' conference.

53. Table 5 provides a list of projects identified in the previous report that have either been completely funded or, in one case, withdrawn by the Government. The table also indicates where the source of funds differs from information supplied previously. Table 6 lists those projects for which partial funding has been arranged or provided. Table 7 lists projects which have attracted no international funding and for which the Government is seeking international assistance. In a number of cases cost estimates are not available, further studies and documentation still being required.



Table 5

Summary statement of projects which have  
 been withdrawn or funded

Reference number as given in document A/35/447 and Add.1	Project	Remarks
A-8	Cocoa processing plant	Withdrawn
L-6	Preparations for a national demographic census	Funded by UNDP project EQG/80/P01 as a three-year programme, costing \$428,840 and containing the following components: international experts \$154,160, national personnel \$128,020, training \$43,560, equipment \$52,100 and miscellaneous materials \$51,000. Preparations for the census are under way.
L-9	Manpower planning	Funded as a part of UNDP project EQG/81/009 at a cost of \$122,000 over a period of 15 months. The following components make up this project: experts \$85,000, training \$36,000 and miscellaneous materials \$1,000. An expert from the International Labour Organisation (ILO) has arrived in the country to start this programme.
L-10	Hygiene, social and work security legislation	Funded as a part of UNDP project EQG/81/009 as described above in remarks for L-9. An ILO expert is expected soon, to begin this aspect of the programme.
T-2	Two Government maintenance and repair workshops	Funded by the USSR. The agreement signed with the Government of Equatorial Guinea will make available the equivalent of \$605,550 to construct and equip these facilities.

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Table 6

Summary statement of projects which have been  
partially funded

Reference number as given in document A/35/447 and Add.1	Project	Remarks
A-5	Establishment of small poultry farms	An FAO expert visited Equatorial Guinea during the month of October 1981; he devoted a portion of his visit to this project. Accordingly, until such time as an elaborated study of the project cost is available, the previous estimate of \$300,000 is retained, for which funding is still required.
A-7	Cocoa storage facilities	ADB has provided approximately \$800,000 to cover the cost of storage facilities at Malabo. To Government estimates that an additional \$800,000 is still required to construct the Bata facilities.
H-2	Expanded programme of immunization	The Government is in contact with the World Health Organization (WHO) concerning a broad programme of maternal and child health care services covering a five-year period, which could include some funds for this project. Funds have not as yet been secured. In the meantime, the Government of Spain and WHO have provided some vaccines, while the United Nations Children's Fund (UNICEF) has provided some cold chain facilities. Although faced with serious logistical problems, this has enabled the Government none the less to begin a limited local immunization programme rather than the desirable nation-wide

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Table 6 (continued)

Reference number as given in document A/35/447 and Add.1	Project	Remarks
H-5	Training of nurses, health auxiliaries and other health personnel	<p>mass vaccination campaign. Accordingly, funding is still urgently required for a national campaign, with costing to be determined by WHO experts provided to design the programme. This project is further described in the donors' conference documents.</p> <p>The Government of Canada has agreed to provide some teaching materials. The Government of Equatorial Guinea is in contact with ADB for possible assistance in construction of this facility. The Government of Morocco has offered 10 scholarships for nurses. A total of 10 medical students have been placed abroad for studies in France, Spain and the USSR. The mini-bus has not yet been funded. Additional funds are still required for this project, which is further elaborated in the donors' conference documents.</p>
H-6	Potable water supply to the rural population	<p>WHO has provided some chlorine for water treatment. UNICEF has provided the services of a hydrologist to design and survey rural water supply systems. A first phase of this project has been estimated at \$700,000. The second phase would cost approximately \$2.3 million. Except for the chlorine and design services which have been provided, the major part of this programme has not yet been funded. This project is further elaborated in the donors' conference documents.</p>

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Table 6 (continued)

Reference number as given in document A/35/447 and Add.1	Project	Remarks
L-8	Labour legislation and administration	Some technical assistance has been provided by the ILO and the Spanish Government. Additional requirements for funding and technical assistance are included in a broader context in the donors' conference documents.
T-4	Bitumen road repair unit, Río Muni	) The technical studies and the engineering design work has been completed with the help of EEC and the Federal Republic of Germany. The Government of Equatorial Guinea is in close contact with EEC for possible funding of the contracting and construction costs. This five-year programme will require up to 3,465,500 European currency units (ECU) in construction and material costs and 1 million ECU for the cost of technical assistance.
T-5	Laterite road repair unit, Río Muni	

Table 7

Summary statement of projects listed in the previous report  
 for which no funding has been provided

	Project	Estimated cost in US dollars	Remarks
F-1	Establishment of a timber-testing laboratory	100 000	
F-2	Training of forestry personnel	560 000	
H-1	Urgent programme of mother and child health care	520 000	Given high priority by the Government. Included in the donors' conference documents.
H-4	Establishment of a unit of epidemiology	200 000	The Government of Equatorial Guinea has contacted WHO for possible funding. Included in the donors' conference documents.
H-7	Control of malaria	300 000	
H-8	Control of trypanosomiasis (sleeping sickness)	300 000	
H-9	Urgent programme for re-equipping and rehabilitating hospitals and dispensaries	2 710 000	Included in the donors' conference documents. Of the total cost, \$500,000 was considered part of the emergency humanitarian assistance programme, \$1 million under the rehabilitation and reconstruction programme and \$1,210,000 for medium-term and long-term development.
H-10	Health planning	120 000	Included in the donors' conference documents.
H-11	Establishment of a national school of nursing	1 150 000	Included in the donors' conference documents.
H-12	Rehabilitation of the health situation, Annobón	50 000	

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Table 7 (continued)

Project	Estimated cost in US dollars	Remarks
L-1	16 500	
L-2	100 000	
L-4	123 000	\$33,000 estimated for rehabilitation and reconstruction; \$90,000 for medium-term and long-term development.
L-7	5 500	
T-3	690 000	Included in the donors' conference documents.
T-7	1 000 000	Included in the donors' conference documents.
T-10	10 000	

The following projects have been substantially modified:

Project	Remarks
A-1 Rehabilitation of cash crops agricultural co-operatives	The scope of this project has been enlarged and it is now estimated to cost \$19 million, of which the local contribution of the Government is expected to reach \$11 million, leaving a total requirement for external funding, over a five-year period, of approximately \$8 million.

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Table 7 (continued)

Project	Remarks
A-2 Strengthening of the extension service	This project has now been elaborated and combined with other programmes in the donors' conference documents.
A-3 Vocational training school	This project has now been elaborated and combined with others in the donors' conference documents.
A-4 Diversification of agriculture through establishment of fruit tree plantations on a co-operative basis	Previously estimated to cost \$2,270,000, this project has now been expanded to cover also a series of agricultural regional development projects, described in the donors' conference documents.
A-6 Rehabilitation and development of palm oil industry	Previously estimated to cost \$2,500,000, this project has been further elaborated in the donors' conference documents.
E-1 Construction of pilot school for special education and international assistance	On 11 July 1981, a new law was enacted completely reforming the educational system in Equatorial Guinea. In brief, this law abolishes the more
E-2 Building and repair of primary schools	restrictive system which limited the access of the majority of Equatorial
E-3 Construction of a Teachers' Training College, Malabo	Guinea's school-age children to educational institutions. The new law in effect
E-4 Construction of residence, dining hall and kitchen facilities for 250 students, Malabo	broadens the educational network by requiring compulsory attendance of children 6 to 13 years

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Table 7 (continued)

Project	Remarks
A-5 Construction of secondary school, Malabo	of age. To encourage this aspect of the programme the Government has decreed that a food and nutrition element be added to all schools for this age group that would provide a free school lunch programme. Other significant project changes are reflected in the donors' conference documents. Accordingly, all projects presented earlier in the education sector have been significantly modified. The total costs for the education sector had previously been estimated at \$454,000 for emergency humanitarian assistance, \$5,532,000 for rehabilitation and reconstruction, and \$2,075,000 for medium-term and long-term development.
E-6 Reinforcement of inspection of primary education through provision of transport facilities	
E-7 Printing equipment for the Ministry of Education	
E-8 Construction of new building for the headquarters of the Ministry of Education	
E-9 Sports equipment	
L-3 Management training for public administrators	Previously estimated to cost \$150,000, the concept of the project has now been modified.
L-5 Audio-visual and office equipment for the Bata Polytechnical Institute	This equipment is an integral part of the education sector project proposals, presented in the donors' conference documents.

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Table 7 (continued)

Project	Remarks
L-11 Reconstruction of the school of administration	The concept of this project is now under study by the Presidency and the Ministry of Education and Culture, and remains subject to modification.
T-1 Assistance to State administration	All of these projects in the transport and public works sector are now regrouped in the new proposals listed in the donors' conference documents under "transport". More specifically, an overall transport sector study is proposed which would make redundant, and/or involve substantial modification of, these projects.
T-6 Technical assistance for port management	
T-8 Technical study on navigational aids and VHF	
T-9 Study of Annobón port	
T-11 Combined feasibility studies for Malabo and Bata airports' extension	
T-12 Upgrading of four mainland and island airstrips	
T-13 Combined feasibility studies for upgrading three roads and constructing two new roads on the mainland	
T-14 Port planning study	
T-15 Study on future development of maritime transport	

D. Preparations for donors' conference

54. In preparing for the donors' conference planned to take place in March 1982, the Government has reviewed its financial and other needs. It sees the future in two stages. The first will be an exceptional period of rehabilitation and reconstruction which is expected to last until at least 1985 during which it is hoped that the country's economy will have recovered appreciably. When the economic and social infrastructure has been firmly re-established, it will then be possible to proceed with implementing the second development stage.

55. The Government of Equatorial Guinea has identified a number of specific projects requiring external aid. These were still in the draft stage at the time of the mission's visit, subject to final clearance, and cost estimates had not been completed in all cases. Table 8 provides a provisional list of those projects (with indications of priority and costing where available) which the Government of Equatorial Guinea may be expected to submit to potential donors for assistance in implementing its programme of rehabilitation, reconstruction and development.

Table 8

Provisional list of projects for submission to donors' conference  
(Subject to final Government clearance)

With estimates of costs where available

TRANSPORT

<u>Highest priority</u>	<u>US dollars</u>
-- Strengthening the administration of the Ministry of Public Works	230 000
-- Repair of road from Malabo to Luba	1 580 000
-- " " " " Luba to Riaba	2 100 000
-- " " " " Musola to Moka	1 070 000
-- " " " " Malabo to Riaba	1 690 000
-- " " " " Bata to Nkue	4 700 000
-- " " " " Bata to Mbini	3 970 000
-- Integrated study of transport sector	100 000
-- Rehabilitation of Bata port	1 030 000
-- " " Luba port	200 000
-- " " Annobón port	200 000
-- " " Malabo port	400 000 a/
-- Repair of Annobón airstrip	500 000
-- Reorganization of maintenance brigades	825 000
<b>Total</b>	<u>18 595 000</u>

a/ Required in addition to \$1,500,000 financing assured by the Fonds d'aide et de la coopération (FAC).

Table 8 (continued)

TRANSPORT (continued)

	<u>US dollars</u>
<u>Medium-term and long-term projects</u>	
-- Repair of laterite roads, Río Muni	5 100 000
-- " " access road to Basile	1 040 000
-- " " road from Malabo to airport	380 000
-- " " " " Bata " "	210 000
-- Improvement of access road to Malabo Peak	1 300 000
Total	<u>8 030 000</u>

WATER SUPPLY AND SANITATION

Highest priority

-- Repair and extension of water supply system for the city of Malabo	1 515 000
-- Repair and extension of the sewage collection and storm drainage system for the city of Malabo	315 000
-- Repair of the water supply system for the town of Luba	465 000
-- Extension of the sewage collection and storm drainage system for the town of Luba	265 000
-- Repair and extension of the water supply system for four towns in Río Muni (4 x 890,000)	3 560 000
-- New water supply systems for nine towns (9 x 512,000)	4 608 000
Total	<u>10 728 000</u>

Medium-term and long-term projects

-- Sanitation systems study for main population centres	<u>40 000</u>
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Table 8 (continued)

<u>ELECTRIC POWER</u>	<u>US dollars</u>
<u>Highest priority</u>	
-- Strengthening the electric power supply system of the city of Malabo	640 000
-- Strengthening the electric power supply system of the town of Bata	640 000
-- Repair and extension of the low-tension network and of street lighting in the town of Luba	95 000
-- Strengthening of the electric power supply system for the town of Ebebiyin	325 000
-- Strengthening the electric power supply systems for five towns in Río Muni and Bioko 5 x 232,000	1 160 000
-- Feasibility study for new hydroelectric power sites	<u>50 000</u>
Total	<u>2 910 000</u>
<u>Medium-term and long-term projects</u>	
-- Strengthening the electric power supply systems for eight towns in Río Muni and Bioko 8 x 199,000	<u>1 592 000</u>
<u>URBAN SANITATION</u>	
<u>Highest priority</u>	
-- Strengthening of the garbage collection and disposal service for Malabo	240 000
-- Strengthening of the garbage collection and disposal service for Bata	<u>300 000</u>
Total	<u>540 000</u>

Table 8 (continued)

TELECOMMUNICATIONS

	<u>US dollars</u>
<u>Highest priority</u>	
-- Installation of nine new international communications lines	145 300
<u>Medium-term and long term projects</u>	
-- Replacement of aerial telecommunication lines	68 000
POSTAL SERVICE	
<u>Highest priority</u>	
-- Strengthening of the postal service in Malabo	142 000
-- Strengthening of the postal service in service in Bata	141 800
-- Strengthening of the postal service in three provincial capitals (3 x 61,200)	183 600
-- Strengthening of the postal service in 13 district centres (13 x 25,200)	327 600
Total	<u>795 000</u>

PRESS - RADIO - TELEVISION

<u>Highest priority</u>	
-- Reorganization of the newspaper "Ebano"	270 000
-- Creation of a national publishing house, first phase	80 000
-- Reorganization of Radio Malabo	180 000
-- Increased production capacity for Equatorial Guinea television	180 000
Total	<u>710 000</u>
<u>Medium-term and long-term projects</u>	
-- Creation of a national publishing house, second phase	330 000
-- Extension of the range of television transmission	20 000
Total	<u>350 000</u>

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Table 8 (continued)

HEALTH

Highest priority

- Establishment of Health Training School in Bata
- Training of nurses, midwives and auxiliary health personnel as well as advanced training for existing staff
- Fellowships for medical and health studies abroad
- Establishment of a central pharmacy service to control importation, stocking and distribution of medicines
- Supply of potable water to principal urban centres and rural areas
- Health campaigns and waste disposal
- Mosquito control
- Rehabilitation and equipment for Malabo Hospital
- Establishment of a service for premature deliveries in the Bata and Malabo Hospitals
- Renovation of the leprosy centre at Micoeseng
- Establishment of a dental clinic at Bata Hospital
- Setting up of a laboratory in Malabo
- Two hospital boats to provide medical services to remote areas
- Four mobile health trucks with appropriate medical equipment
- Rehabilitation of the existing dispensary network in Río Muni

Medium-term and long-term projects

- Campaign for maternal-child health care
- Malaria campaign
- Extension of the dispensary network

Table 8 (continued)

EDUCATION

Highest priority

- Establishment of a pedagogic research centre adapted to the needs and character of the country
- Training and further education courses for teaching staff during holidays
- Organization and evaluation courses for school directors and inspectors
- Health education course for teachers
- Malaria eradication campaign in schools
- Supplementary feeding for school children
- Organization of an accelerated primary teacher training programme
- Repair and rehabilitation of school buildings
- School furniture and teaching materials for primary schools
- Primary school textbooks
- Textbook printing equipment for local publications
- Construction of school canteens in major centres

Medium-term and long-term projects

- Construction and equipment for the Malabo Institute of Secondary Education
- Construction of a secondary school dormitory for Malabo
- Construction of a secondary school dormitory for Bata



Table 8 (continued)

LABOUR AND EMPLOYMENT

- Socio-economic study of cocoa plantations, including labour and employment conditions
- Survey of businesses and employment
- Construction of occupational training centres
- Creation of employment exchanges
- Creation of an adult education centre
- Manpower planning
- Strengthening of professional training programmes
- Management and organization courses to strengthen co-operatives
- Social legislation
- Strengthening of labour inspection services
- Construction of a new Ministry of Labour office building

WOMEN IN DEVELOPMENT

- Construction of two schools to provide increased training opportunities for women in Malabo and Bata
- Provision for two pilot child day-care centres in Bata and Malabo

YOUTH AND SPORTS

- Improvement of sports fields in Malabo and Bata

Table 8 (continued)

AGRICULTURE

	<u>US dollars</u>
<u>Regional development</u>	
<u>Highest priority</u>	
-- Modern agricultural production unit, Moka	714
-- " " " " Basupu	885
-- " " " " N'Fonga )	
-- " " " " M'Bini )	1 200
-- " " " " Evinayong	840
-- " " " " Mongomo	878
-- Modern poultry production unit, Malabo	1 117
-- " " " " Bata	1 117
Total	<u>6 751</u>
<u>Medium-term and long-term projects</u>	
-- Modern agricultural production unit, Misola	<u>991</u>
<u>Sectoral projects (Agro-industry, forestry)</u>	
<u>Highest priority</u>	
-- Feed-grain factory for cattle in Bata	3 207
-- Equipment for service co-operatives for cocoa and coffee	2 629
-- Forestry development project	4 822
Total	<u>10 658</u>

Table 8 (continued)

<u>Sectoral projects</u> (continued)	<u>US dollars</u>
<u>Medium-term and long-term projects</u>	
-- Industrial production and processing of abaca fibre	2 366
-- Industrial production and processing of palm oil products	2 629
-- Reafforestation	2 498
Total	<u>7 493</u>
<u>General projects</u>	
<u>Highest priority</u>	
-- Lines of credit for the Development Bank	13 145
-- Feasibility study for a National Office for External Trade	213
-- Creation of the School for Agricultural Technicians, Malabo	946
Total	<u>14 304</u>
<u>Medium-term and long-term projects</u>	
-- Agricultural research stations	<u>2 366</u>

Table 8 (continued)

INDUSTRY

- Creation of a National Institute for Industrial Development
- Elaboration of an industrial development programme
- Processing of primary agricultural and forestry products for export
- Import substitution through use of local materials for:
  - (a) Furniture and other wood products;
  - (b) Construction and building;
  - (c) Fishery products and by-products;
  - (d) Palm oil derivatives;
  - (e) Abaca fibre products.
- Repair and maintenance shops for vehicles, machinery and agricultural equipment

MINING

- Technical assistance on legal and technical aspects of negotiating international mining contracts
- National geological laboratory
- Technical support for national mining and petroleum companies
- Training of technical personnel for government and enterprises
- Study concerning the exploitation of natural resources within the framework of the medium-term national plan

Table 8 (continued)

CONSTRUCTION, CITY PLANNING AND HOUSING

Highest priority

- Rehabilitation of Government-owned buildings and houses
- Urgent "urbanization" building lots
- Support for "self-help" construction and housing loan programme
- Strengthening of the national housing office
- Technical and experimental studies on the use and production of local construction materials
- Establishing an importation and distribution policy regarding construction materials
- Undertaking a 1/10,000 topographic survey of Rió Muni and Bioko
- Technical assistance in formulating appropriate legislation
- Support for artisan co-operatives

Medium-term and long-term projects

- Socio-economic study of population centres to facilitate planning of housing requirements
- Elaboration of a master plan for the major urban centres
- Establishment of a public housing authority

TOURISM

- Lines of credit to existing hotels for necessary renovation work and some expansion
- Construction of two medium-class hotels in Bata and Malabo

Table 8 (continued)

TOURISM (continued)

- Assure basic hotel accommodation requirements in provincial capitals
- Tourist sector study
- Technical assistance to Ministry

GENERAL ADMINISTRATION

- Consolidation of national statistical services
- Strengthening of national planning services
- Public administrative training for civil servants
- Technical assistance in public administration, foreign affairs and the administration of justice
- Improvement of the physical infrastructure:
  - (a) Construction of planning offices at Malabo and Bata;
  - (b) Installation of telex facilities at the Presidency and the Department of Foreign Affairs;
  - (c) Study for the construction of a new Presidency building;
  - (d) Study for the establishment of three embassies in neighbouring African countries.

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