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SPECIAL ECONOMIC ASSISTANCE PROGRAMMES

Assistance to Guinea-Bissau

Report of the Secretary-General

1. In its resolution 34/121 of 14 December 1979 on assistance to Guinea-Bissau, the General Assembly, inter alia, requested the Secretary-General to continue his efforts to mobilize the necessary resources for an effective programme of financial, technical and material assistance to Guinea-Bissau, and to arrange for a review of the economic situation of Guinea-Bissau and the progress made in organizing and implementing the special economic assistance programme for that country in time for the matter to be considered by the Assembly at its thirty-fifth 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 resolution 34/121, the Secretary-General was also requested to pursue with the Government of Guinea-Bissau the question of organizing a meeting of donors and, in that respect, to co-ordinate efforts with the United Nations Development Programme (UNDP), the Economic Commission for Africa and the World Bank. Required consultations have taken place and a document discussing relevant international experience with such meetings, including organization, and offering possible alternative courses of action, was communicated to the Government of Guinea-Bissau for its consideration.
4. In paragraph 10 of resolution 34/121, 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 1980. Furthermore,

\* A/35/150.

the appropriate specialized agencies and other organizations of the United Nations system were requested in paragraph 11 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 34/121 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 other countries for which the Assembly has requested the Secretary-General to organize special economic assistance programmes.

# ANNEX

## Report of the review mission to Guinea-Bissau

(7-12 March 1980)

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## I. INTRODUCTION

1. The report of the Secretary-General on assistance to Guinea-Bissau (A/34/370), a/ considered by the General Assembly at its thirty-fourth session, referred to his previous report (A/33/179 and Corr.1) and to previous resolutions adopted by the Assembly on the same subject, including resolutions 32/100 of 13 December 1977 and 33/124 of 19 December 1978.
2. On 14 December 1979, the General Assembly adopted resolution 34/121 in which it endorsed fully the assessment and recommendations contained in the report of the Secretary-General (A/34/370) 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 the request of the Assembly, the Secretary-General arranged for a review mission, organized under the direction of the Office for Special Political Questions, to visit Guinea-Bissau from 7 to 12 March 1980.
4. The mission was received by His Excellency Mr. Luis Cabral, President of Guinea-Bissau, and by the Minister for Foreign Affairs. During its visit, it held meetings with senior officials from the Commissariat for Co-ordination and Planning and from a number of sectoral commissariats. The mission also met with members of the diplomatic corps.
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 annex to the report of the Secretary-General on assistance to Guinea-Bissau (A/33/179 and Corr.1), hereafter referred to as the principal report.

a/ See also the report of the Secretary-General on special economic assistance programmes to 10 countries, including replies and information provided by specialized agencies and other organizations of the United Nations system (A/34/556).

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. Guinea-Bissau had been self-sufficient in the basic food staple - rice - but the major installations had been damaged and the country now had to depend on imports. Export crops had also been affected, particularly in the areas liberated before independence where economic activity was diverted to subsistence production to ensure self-sufficiency. At independence, the country was faced with acute shortages of trained manpower, equipment and spare parts. Much of the capital stock showed the effects of many years of disinvestment through inadequate repair and maintenance. The country was also faced with budget and balance-of-payments deficits.

8. In 1978, Guinea-Bissau experienced a severe drought and widespread food shortages throughout the country. In 1979, the rainfall was again inadequate causing a poor harvest and large-scale import of cereals. Furthermore, both budget and balance-of-payments deficits continued to be serious.

9. According to the 1979 census, the population of Guinea-Bissau is 777,214. The per capita gross domestic product is estimated to be \$170.

#### B. Government finances

10. One of the most difficult problems facing the Government of Guinea-Bissau since independence has been the recurrent budget deficits.

11. Revenue has been increasing since 1977, and this trend is likely to continue as a result of higher levels of taxation and the extension of taxes to new areas. The Government is also projecting increased transfer of funds from public enterprises to the Treasury. However, there is no expectation that a recurrent budget surplus should become a significant source of public capital investment funds in the near future.

12. The following table, provided by the Government, shows the position of over-all government finances for 1976, 1977 and 1978. b/ The recurrent budget estimates for 1979 show revenue of \$25.4 million and expenditures of \$42.1 million; the budget deficit is expected to exceed \$16 million for the year.

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b/ Comparative figures for 1979 are not available.

Table 1

Government finances

(In thousands of United States dollars)

	1976	1977	1978
Revenue	14 822	13 420	17 732
Expenditure	32 132	37 847	37 666
<u>Budget deficit</u>	-17 310	-24 427	-19 934
Extrabudgetary expenditure	14 771	22 028	47 228
Total expenditure	46 903	59 875	84 894
<u>Deficit</u>	-32 081	-46 455	-67 162
<u>External financing</u>			
Loans	4 885	5 114	25 171
Grants	12 172	20 143	26 857
Total	17 057	25 257	52 028
<u>Internal financing</u>	15 024	21 198	15 134

13. The over-all deficit has been covered mostly by external financing, through loans and grants, and to a lesser extent by internal financing, in the form of loans from the National Bank. While, in 1976 and 1977, about 53 per cent of the over-all deficit was met by external resources, the contribution of these resources in 1978 rose to over 77 per cent.

14. It is clear from table 1 that Guinea-Bissau will continue for some time to come to be dependent on external sources for public capital expenditure. Moreover, in spite of new taxation measures, the Government may even require foreign assistance for its recurrent expenditures.

15. The Government has approved an investment budget of \$93.8 million for 1979, of which \$37 million is to be financed by external grants and \$20 million by external loans. The following table shows the sectoral distribution of the investment budget.

Table 2  
Investment budget, 1979

	<u>Amount</u> (In thousands of United States dollars)	<u>Percentage</u>
1. Agriculture, livestock and forestry	5 764	6.1
2. Fisheries	20 024	21.3
3. Natural resources	4 215	4.5
4. Industry and handicrafts	12 380	13.2
5. Energy	3 401	3.6
6. Transport	20 279	21.6
7. Telecommunications	5 801	6.2
8. Education	7 331	7.9
9. Health and social welfare	1 840	2
10. Housing	6 795	7.2
11. Other	5 972	6.4
<u>Total</u>	<u>93 802</u>	<u>100</u>

C. Balance of payments

16. The following table, supplied by the Government, shows the balance-of-payments situation for 1977 and 1978.

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Table 3

Balance of payments

(In millions of United States dollars)

	1977 ( <u>Actual</u> )	1978 ( <u>Actual</u> )
Exports (f.o.b.)	12.2	12
Imports (c.i.f.)	35.2	63.6
<u>Trade balance</u>	-23.0	-51.6
Net services, transfers, remittances, etc.	-7.9	-11.9
<u>Current balance</u>	-30.9	-63.5
Changes (decrease) in reserves	4.4	5.3
Official transfers	20.0	26.8
Loans, etc.	4.4	32.1
Payments in arrears	1.5	1.8
Errors and omissions	+0.6	-2.5

17. The major exports of Guinea-Bissau are ground-nuts, palm kernels, cashew nuts, wood products, shrimp and other fish. They constitute over 95 per cent of the total annual exports but the revenue from them covers only a small proportion of imports. The 1978 trade balance deficit was more than double that of 1977.

18. During those two years, the current account deficit in the balance of payments was mostly covered by official transfers and loans. Further, while official transfers rose from \$20 million in 1977 to \$26.8 million in 1978, loans rose from \$4.4 million to \$32.1 million during the same period.

19. It is the policy of the Government to control the level of imports in order to narrow the trade deficit. However, a curb on the importation of intermediate goods may render the task of development still more difficult for Guinea-Bissau.

### III. FOOD AID AND FOOD SECURITY

20. Thirteen years of struggle for independence caused human, physical and economic dislocation and created a need for importing a minimum of 20,000 tons of cereals every year. During recent periods of insufficient rainfall, the food deficit was even greater and it was necessary to import larger quantities. In 1979 the rainfall was inadequate, and the country is thus facing a food deficit of 46,000 tonnes for 1980.

21. Food storage is also a major problem, as the existing facilities are grossly inadequate for the implementation of food supply and food security plans. Paucity of means of transport further compounds the problem as surpluses cannot be quickly or easily transported from producing areas to markets and storage facilities.

#### A. Food aid: 1979

22. The Government had estimated the major food deficits in 1979 at 20,000 tonnes of cereals, 3,000 tonnes of sugar, 800 tonnes of edible oils and 200 tonnes of milk. The following table, provided by the Government, gives details of food aid received in 1979.

Table 4  
Food aid received in 1979  
(In tonnes)

<u>Commodity</u>	<u>Quantity</u>	<u>Donor</u>
Rice	14,000	(Sweden - 5,348; Denmark - 4,561; Norway - 2,485; EEC - 1,669)
Maize	1,000	(France)
Sugar	38	(World Food Programme)

23. In addition, the Netherlands provided about \$1.25 million to meet part of the country's food requirements and \$100,000 for purchasing cereal and vegetable seeds. Pesticides, etc., were obtained with \$100,000 provided by the United Nations Development Programme (UNDP).

#### B. Food needs: 1980

24. For the third time in the last 10 years, Guinea-Bissau faced a crop failure in 1979 due to irregular and inadequate rainfall. The Government's estimate of major food requirements for 1980 is as follows: rice - 24,000 tonnes; sorghum - 10,000 tonnes; maize - 12,000 tonnes; wheat flour - 7,000 tonnes; sugar - 4,000 tonnes; and edible oils - 6,000 tonnes.

25. In view of the large food deficit, the paucity of foreign exchange resources and the decline in export earnings due to a fall in the production of commercial crops, it is essential that Guinea-Bissau receive food aid and grants urgently.

### IV. PROGRESS IN IMPLEMENTING THE SPECIAL ECONOMIC ASSISTANCE PROGRAMME

#### International assistance

26. As previously reported, Guinea-Bissau is receiving bilateral and multilateral assistance from a variety of sources. According to the Government, the major sources of assistance and the sectors and fields in which assistance is being provided remain essentially the same as earlier indicated (A/34/370, appendix I).

27. The special economic assistance programme recommended in the principal report included 63 projects costing at \$38 million in addition to considerable technical

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assistance and training requirements. In 1979, the Government proposed 20 new projects for inclusion in the assistance programme. c/ During the current review of the programme, the Government identified 16 new projects requiring international assistance (see appendix, paras. 51-66). Additional details on all new projects may be obtained through the Office of the Director-General for International Economic Relations in Guinea-Bissau.

28. While the response of the international community to the needs of Guinea-Bissau has been positive, international assistance has fallen far short of the needs of the country. In view of the serious economic and financial problems facing Guinea-Bissau, it is essential for it to receive foreign assistance. Food aid is particularly important to meet the serious food deficit and as a means of financing part of economic and social development.

29. Of the 83 projects reviewed by the mission, 24 have been fully financed and partial funding has been secured for 24 others. Eight projects have been withdrawn by the Government while one other project was provided for within another programme. No progress has been made with the remaining 26 projects. Table 5 summarizes the progress made in implementing individual projects which have attracted the interest of the international community. Details of the projects remaining in the programme are given in the appendix.

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c/ For details of these new projects, see A/34/370, pp. 28-31.

Table 5

Summary statement on assistance for projects

Project	Remarks
M-1 Reinforcement of the Commissariat of Finance	Funding covered by Sweden and UNDP.
M-2 Reinforcement of the Commissariat of Economic Development and Planning	Funding covered by UNDP.
M-3 Management and promotion of trade	Partial funding by UNDP.
A-1 Reinforcement of the Commissariat of Rural Development	Work started on a documentation centre with Canadian assistance. Swedish assistance is providing for improvements to the Office of Rural Development.
A-2 Improving control of plant pests	A study by the Food and Agriculture Organization of the United Nations (FAO) has made recommendations for the organization of a plant protection service, the procurement of materials and equipment and the provision of an expert. Further technical assistance is required.
A-3 Soil studies	Financing for this project has been covered mainly by the United States Agency for International Development (USAID), Denmark and FAO.
A-4/ Development of crop production A-5	Funding covered by various sources including FAO and UNDP.
A-6 Installations for handling paddy	A call for bids has been made for the construction of a 1,000-ton transit silo to be financed by the Netherlands. Two 250-ton boats and two mobile cranes have been provided by the European Economic Community (EEC). Equipment and spare parts have been provided by Denmark.
A-7 Urgent recovery of food-stuff production	Project completed with EEC assistance.
A-8 Vegetable and fruit production and horticulture	Financing covered by the Oxford Committee for Famine Relief (OXFAM) and Belgian assistance.

Table 5 (continued)

Project		Remarks
A-9	Poultry and pig production	Financing covered by African Development Bank (ADB) and Sweden.
A-10	Forestry development	Incorporated in projects G-6 and G-7.
A-11	Timber transport	Project financed by Sweden.
A-12	Poultry production in villages	) Withdrawn by Government. Will be ) integrated in the regional rural ) development programme.
A-13	Training agricultural extension workers	
A-14	Small boats	A study is under way to determine project design. Financing will not present a problem.
F-1	Reinforcement of the State Secretariat for Fisheries	Brazil and France are expected to provide some of the technical assistance required.
F-2	Cold-storage and deep-freezing complex at Bissau	All equipment and funds secured from Portugal, Algeria and France. Project being implemented.
F-3	Small cold-stores and fish-curing equipment	Funding partially secured. Additional financing required to construct inland infrastructure.
I-1	Cumeré agro-industrial complex	Project in final stages of construction. Financing assured by France, Kuwait and other donors.
I-2	Palm-nut dehusking plants	Project withdrawn pending restudy of sector by Government.
I-3	Sugar production	Feasibility study will be assisted by France. Contacts for funding started with Arab Fund and others.
I-6	Credits for industrial development.	The National Development Fund has been established. The World Bank has been contacted for funding.
I-8	Spare parts management system	Several training courses, financed by EEC, have been provided.
I-10	Reinforcement of the National Printing Press	Funding for most of original requirements provided by Sweden. New needs include printing equipment \$180,000, electric generator \$60,000, spare parts \$40,000, and training of staff \$30,000.

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Table 5 (continued)

Project	Remarks
I-11 Reorganization of shipyard facilities	The new cost estimate is \$2 million. Discussion of financial possibilities are under way with the Government of Algeria.
I-13 Cashew-nut processing	Contacts for financing started with Kuwait Fund and an Italian group.
I-16 Textile and shoe industry	Some studies have been completed. Contact started with the Government of Portugal on financing possibilities.
I-17 Packaging industry	A preliminary study to determine packaging needs has been completed. Financing required for feasibility studies and investment programmes.
I-18 Construction materials industry	A study of available local raw materials for the construction materials industry is near completion. Financial assistance will be required for feasibility studies and for investment programmes.
G-5 Stocktaking of the Directorate of Natural Resources	Funding assured by EEC and France.
G-7 Forest inventory	Project completed under French assistance.
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	)
T-18 Navigational aids	)
T-19 Dredging of Bissau port	)
T-20 Construction of river ports	)
T-3 Port equipment	Completed under EEC assistance.
T-4 Coastal vessels	Funding covered by the Netherlands.
T-5 Major ferry boat	Funding covered by the Netherlands.
T-7 Small ferries	Withdrawn by the Government.

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Table 5 (continued)

Project		Remarks
T-8	Equipment for People's Stores and SOCOMIN	Partial funding by the Federal Republic of Germany.
T-9	General transport barges	Project completed with EEC funding.
T-10	Small barges	) Withdrawn by the Government. Not included in the transport development plan.
T-11	Berthing facilities for barge traffic	
E-1	Institute of Teacher Training	Funding secured by a \$4.3 million loan from ADB.
E-3	Development of audio-visual teaching	Withdrawn by the Government. Purpose will be covered under other projects.
E-5	Self-help construction of rural schools	Partially funded by Sweden and ADB. Financing still required for school equipment and furniture (\$500,000).
E-6	Educational workshops	Withdrawn by the Government in favour of a new project to support regional services.
E-8	Technical training	Project operational. Funding covered by ADB.
E-9	Integrated educational centres	Project started. Funding covered by the Swedish International Development Authority (SIDA) and the Netherlands.
L-1	Apartments for technical co-operation staff in Bissau	Financing covered by Sweden, France and the Government.
P-1	Institutional support for National Institute of Energy	Financing covered by UNDP and ADB.



APPENDIX

Details of individual projects in the special  
economic assistance programme

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A. Public finance and management of the economy

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

Projects

M-3 Management and promotion of trade

2. Assistance in the field of internal and external trade management and promotion is to be provided through a UNDP-funded regional project in co-operation with Cape Verde. Estimated cost is \$1 million. UNDP is providing \$500,000 and UNCTAD is seeking to raise the balance.

M-4 Accountancy and management systems

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

B. Agriculture, livestock and forestry

4. Rural development has a high priority in the Government's over-all development strategy. The policies for agricultural development are to increase the production of staple foods (rice and sorghum); to make the country self-sufficient in these crops and to provide a surplus for export to Cape Verde; to develop industrial crops; to provide the population with a more balanced diet through increased production of vegetables, fish and livestock; to exploit forest resources more systematically; and to diversify agriculture by introducing new crops (tobacco and rubber are possibilities).

Projects

A-1 Reinforcement of the Commissariat of Rural Development

5. This newly formed Commissariat, with broader responsibilities than its predecessor, the Commissariat of Agriculture, requires assistance in planning and statistics, and needs equipment, including vehicles; a corresponding technical co-operation project has been formulated with FAO assistance. Estimated remaining requirements, including costs of two experts, amount to \$220,000.

A-2 Improving control of plant pests

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

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A-6 Installation for handling paddy

7. A 1,000-ton transit silo and facilities for fast loading of larger barges have been provided with assistance from the Netherlands through a funds-in-trust arrangement with FAO. Assistance is still required for two mobile cranes, one at Bissau with a 50-ton per hour capacity and one at Ilha do Rei with a 25-ton per hour capacity, at a total estimated cost of \$230,000; and equipment and spare parts for the SOCOMIN (State Organization for Import, Export and Commercialization) and Ilha do Rei paddy-processing plants at a cost of \$630,000, as part of a larger plant and silo construction and equipment programme costing a total of \$2,000,000, which would enable existing capacity to be utilized more efficiently.

C. Fisheries

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

Projects

F-1 Reinforcement of the State Secretariat for Fisheries

9. The State Secretariat has a 10-year plan for fishery development, for which technical co-operation and assistance in the form of training and equipment are required. Initially, four advisers over a period of two years, fellowships, and equipment are needed.

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

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

D. Industry

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

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## Projects

### I-3 Sugar production

12. Sugar cane is currently grown on a small scale in Guinea-Bissau. The Government proposes to establish a 1,000-hectare sugar plantation and a sugar mill to produce sugar both for domestic needs and for export to Cape Verde. The total cost for this scheme has been estimated at \$40 to \$50 million; the Netherlands has made available \$8 million for the agricultural part of the project.

### I-4 Reinforcement of the Directorate-General of Industry

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

### I-5 Small centre for adaptation of technology

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

### I-7 Quality control laboratory for materials and industrial products

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

### I-8 Spare-parts management system

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

### I-10 Reinforcement of the national printing press

17. Funding for most of the original equipment and training required to enable this central facility to operate effectively has been provided by Sweden. New needs include printing equipment \$180,000; electric generator \$60,000; spare parts \$40,000 and training of staff \$30,000.

I-11 Reorganization of shipyard facilities

18. The Government places a high priority on this project, in view of the planned development of fisheries and water transport. A study prepared with Portuguese assistance has indicated a need for a programme, lasting 2 1/2 years, to restructure and expand these facilities. Cost estimate is at \$2,000,000.

I-12 Small foundry

19. A foundry to make spare parts, etc., would cost an estimated \$2 million.

I-13 Cashew-nut processing

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

I-14 Manioc-flour production

21. A study is required with a view to preparing a project to establish small manioc-flour production units distributed throughout the country. The amount of \$30,000 is needed.

I-15 Wood industry

22. There exists a state enterprise, currently receiving Swedish technical assistance, which operates sawmills, a furniture factory and a parquet factory. A study is needed on a project to exploit new wood-producing areas and to produce parquet. Estimated total investment required is \$8 million.

I-16 Textile and shoe industry

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

I-17 Packaging industry

24. Feasibility studies and investment programmes are required for production of bottles, cans and cartons for beverages, fish products, vegetable oils, etc.

I-18 Construction-materials industry

25. Financial assistance is required for feasibility studies and for investment programmes.

### E. Natural resources

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

#### Projects

##### G-1 Hydrological studies of river basins

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

##### G-2 Preliminary study of sites for tidal control dams

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

##### G-3 Control of ground-water resources

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

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G-4 Rural water supply and distribution

30. The drilling of boreholes and sinking of wells for village use and irrigation is proceeding with external assistance. While this programme continues, it is necessary to provide pumps, piping, water towers and tanks at already established boreholes and wells. To provide 500 manual pumps and related equipment will require approximately \$2.5 million.

G-6 Assistance in establishing the Forestry Department

31. The Government is reorganizing this sector and places a high priority on filling the need for technical assistance and equipment to strengthen this new department. Estimated costs include technical assistance \$100,000; equipment \$200,000; and training \$100,000.

F. Transport

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

Projects

T-1 Reinforcement of the Commissariat of Transport

33. This project incorporates project T-17. To enable the Commissariat to plan, co-ordinate and maintain the national transport system, technical co-operation is required in a broad range of fields, including transport legislation, civil and mechanical engineering, material handling, data collection and accounting systems. In addition, salary supplements to attract needed expatriate personnel in operational fields such as marine transport, port operation, civil aviation and meteorological services are required. Estimated cost: \$500,000 for a period of 2 years.

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

T-18 Navigational aids

T-19 Dredging of Bissau port

T-20 Construction of river ports

34. The projects listed above are now included in a global ports and water transport programme costed at \$24.4 million. Components and estimated costs are repair of the commercial pier \$2.6 million; extension of pier \$3.3 million; construction work at Nemblao, extension of the pier at Bolola, and construction work on the combustibles port \$10.6 million; dredging of port and channel \$2.8 million; rehabilitation of small interior ports \$1.4 million; maritime and river navigation equipment \$1.7 million; and port management \$2 million.

T-8 Equipment for People's Stores and SOCOMIN

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

T-12 Provision of airstrips

36. Five airstrips are needed in areas where access is difficult.

In order of priority, these are at Cufar, Bubaque, Bolama, Quebo and Bafata, at an estimated total cost of \$4 million. A preliminary study is necessary for project formulation.

T-13 Improvement of water transport

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

G. Education, literacy and training

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



## Projects

### E-2 Primary teacher training

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

### E-4 Provision of educational equipment and supplies

40. A wide variety of educational equipment is needed, including libraries and material supplies, for primary and secondary schools and teacher-training institutes. An initial \$700,000 is needed.

### E-5 Self-help construction of rural schools

41. In view of the shortage of class-rooms in rural areas, construction of 200 such class-rooms a year is planned. This programme has received Swedish assistance in providing equipment and technical expertise through a Canadian non-governmental organization.

Additional assistance to provide construction materials and to pay the wages of a limited number of skilled workers is needed, however, at a cost of about \$1 million.

### E-7 Literacy

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

## Fellowships

43. The need for fellowships providing for general university education and for training at advanced levels in specific skills will continue for many years. Priority areas are management, administration and planning.

## H. Health

44. As in much of West Africa, there is a serious incidence of malaria, gastro-intestinal disease, filariasis, tuberculosis and leprosy; child mortality appears to be high. A health service development programme has been prepared with assistance from the World Health Organization. The system is intended eventually

to comprise some 120 health posts, 15 to 18 small (10- to 20-bed) sector hospitals, 8 regional hospitals and central facilities, including the national hospital. Training facilities are needed for subprofessional staff. About half of this structure already exists or has financing available (EEC, hospital construction; Sweden 4 sanitary units), but considerable assistance is required to complete the system and to alleviate the very difficult operational conditions characterized by shortages of staff, equipment, supplies and finance.

### Projects

#### H-1 Training of "secouristas"

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

#### H-2 Training of multi-purpose community health workers

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

#### H-3 Vaccination campaigns

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

### I. Energy

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

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

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P-3 Installation for testing electrical equipment

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

P-4 Fellowships

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

J. New projects

A-15 Regional development projects

51. The Government considers agriculture as the dominant force in its economy and has accordingly given top priority to the preparation of studies aimed at the achievement of the following objectives: self-sufficiency in basic food-stuffs (rice, small-grain maize, sorghum, cassava, beans, etc.); and promotion of crop diversification to contribute to the industrial development and to provide for exports of surplus agricultural products. New emphasis is placed on integrated development. The Government is certain that substantial financing will be required in the immediate future once these initial studies have been carried out.

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

52. This project is designed to update the 1953 Amilcar Cabral survey which the Government considers to be a key element of its policy and programme of nation building. The estimated foreign exchange cost of financing this project amounts to \$1.4 million.

C-1 Establishment of a telecommunications network

53. Guinea-Bissau's international and national communications networks are out-dated and unreliable, thus creating a sense of frustration and isolation at a time when good communications are essential to economic development and nation building. Good communications are also indispensable for meeting social and economic needs (schools, hospitals, cultural activities and job centres), for exploiting natural resources and for promoting tourism. The two circuits with Portugal and one with Senegal are defective and function only 13 hours per day. The Government has given high priority to the creation of a modern and more flexible national telecommunications system serving rural areas, cities and international demand. Swedish assistance is being provided to study and start this programme. The financing of the following is required:

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(a)	Rural network . . . . .	\$8,000,000
(b)	International network	
	(i) Telex . . . . .	600,000
	(ii) Telephone communications . . . . .	750,000
	(iii) Automatic station . . . . .	1,600,000
	(iv) Satellite ground station . . . . .	4,600,000
(c)	Training programmes including construction of two schools . . . . .	1,000,000
(d)	Laboratory to repair and test sophisticated telephone and telex equipment . . . . .	400,000
	<u>Total</u>	<u>\$16,950,000</u>

#### E-10 Support for regional education services

54. In a programme of decentralization the Government intends to reinforce the regional education offices throughout the country. Office equipment, furniture and vehicles are needed. The Government gives this project a high priority and financing is required in the amount of \$650,000 of which \$150,000 will be needed for the purchase of vehicles and spare parts.

#### G-8 Creation of regional shops to manage, repair and maintain water-supply equipment

55. Investments that are now proceeding in the area of rural water-supply systems cannot be effective without a systematic programme of repair and maintenance of installed equipment (pumps, wells and sanitary installations). Accordingly, the Government intends to put into effect regional management and maintenance shops with brigades of 2 to 3 mechanics, hand tools, transport facilities and spare parts. The lack of financing has delayed the implementation of this project, which once operational, is expected to be self-sustaining. Financing required for this two-year programme is \$400,000 for equipment and local expenses. In addition an auto mechanic, a metal worker and a construction foreman are required.

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

56. The forest coverage of Guinea-Bissau represents approximately 2,525,900 hectares or 71 per cent of the national territory. There is great pressure on these forest resources from squatter farming, livestock and uncontrolled hunting. The estimated annual losses to the forest reserve amounts to 20,000-35,000 hectares. It is necessary, through aerial photography and systematic

ground surveys, first to classify the forestry resources and then to formulate a zoning plan and a long range reafforestation programme. It is envisaged that a 2-1/2 year programme for reafforestation will be required and a 2-year reclassification project. The estimated cost of required financing is the following:

(a) Aerial photography	
(i) Purchase of photos	\$450,000
(ii) Equipment	50,000
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	<u>Total</u> \$500,000
(b) Forest classification	
(i) Technical assistance	\$280,000
(ii) Equipment	140,000
(iii) Miscellaneous costs	50,000
(iv) Training	70,000
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	<u>Total</u> \$540,000
(c) Reafforestation	
(i) Technical assistance	\$350,000
(ii) Equipment	500,000
(iii) Local costs	200,000
(iv) Training	50,000
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	<u>Total</u> \$1,100,000
Grand total requiring financing	\$2,140,000

G-10 Protection of wild animal life

57. The Government is concerned about indiscriminate hunting practices in the countryside. Among the endangered species are elephants, antelopes, crocodiles, chimpanzees, etc. In the meantime no qualitative or quantitative studies have been made of wildlife in Guinea-Bissau. Through this project the Government intends to develop a national policy towards its wildlife based upon a systematic inventory, with the ultimate goal of establishing national parks and reserves with appropriate hunting controls. The estimated cost required to finance this 3-year project is the following:

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Technical assistance	\$480,000
Equipment	225,000
Local costs	155,000
Training	40,000
<u>Total</u>	<u>\$900,000</u>

G-11 Protection against forest fires

58. The Government has estimated that each year 20,000 to 35,000 hectares of the forest reserves are destroyed by fire, which contributes to a progressive transition of forest areas into a Sudan-Guinea type savannah. Before this process becomes irreversible the Government intends to develop protective measures by training the rural populace and special firefighting teams to better control this national problem. The estimated costs of financing required for this 2-year project are the following:

Technical assistance	\$160,000
Equipment	300,000
Local costs	70,000
Training	50,000
<u>Total cost</u>	<u>\$580,000</u>

I-19 Support for small-scale fishing enterprises

59. The Government has indicated that 80 per cent of the fish harvested in Guinea-Bissau waters are captured by foreign fleets. Accordingly, the Government intends to initiate a programme to encourage the small-scale fishing enterprises through the development of necessary infrastructure, the construction of wood canoes and the provision of fishing equipment. Full financing for this project will be requested once this programme has been drawn up by the Government.

I-20 Creation of a national office of tourism

60. The Government wishes a study to be conducted to define the importance of the tourism industry as a factor of economic development for Guinea-Bissau. This study should also determine the basis for the creation and operation of an autonomous national tourism office. The goal of such an office would be to promote tourism from abroad towards Guinea-Bissau and also to co-ordinate all tourism activities within the country. Financing is required to provide for the technical assistance needed to execute this study (\$30,000).

T-21 Creation of an enterprise to plan and manage road and river transport of merchandise in Guinea-Bissau

61. The Government wishes to make a feasibility study of the possibility of creating this enterprise, the goal of which would be to improve the quality and efficiency of road and river transport and to make this activity self sustaining. Technical assistance in the economics and management of transport systems is required to make an evaluation of an internal rate of return of such an enterprise and to plan for its creation. The estimated financing required for this feasibility study is \$100,000.

T-22 Rehabilitation of the public works shops and related equipment

62. In order to protect new investments in infrastructure as well as existing facilities it is essential first to put back into service the public works shops which are now in a serious state of disrepair. Thus the objectives of this project are to rehabilitate existing structures and refurbish them with new tools and equipment and to repair, where possible, shop facilities ranging from motorized water pumps to bulldozers. An intense technical assistance and training programme is also required for professionals and skilled workers to operate these shops. The estimated financing required for this two-year programme amounts to \$1,000,000.

T-23 Construction of small bridges

63. The geography of Guinea-Bissau with its extensive river system makes necessary the construction of a series of bridges to complete the road links of the national transportation network. Through this project the Government intends to construct 30 bridges of 10 to 50 metres in length and 100 bridges of less than 10 metres in length. This project will be accomplished under the public works programme and will require financing of the construction phase, since preliminary studies are completed. Total estimated cost is \$3.5 million.

T-24 Improved planning, management of operation and maintenance functions of the national aviation company

64. The purpose of this project is to finance a two-year technical assistance programme of integrated management and operations services through a contract with Transports Aériens Portugais (a company that already has had much experience in Guinea-Bissau) to operate and provide training for the national air service. The national air fleet is presently composed of 1 Hawker Siddeley, 1 Dornier 27, 1 DC-3 and 1 Cessna 206. Food and lodging for the experts is to be provided by the Government of Guinea-Bissau. Estimated cost is \$200,000.

T-25 Construction of an aviation maintenance hangar for the national air fleet

65. Maintenance of the air fleet described above is seriously affected by the lack of covered space. At the present time sensitive aviation instruments and delicate equipment are in a constant state of deterioration due to inadequate

protection from the elements. In many cases maintenance is interrupted and deferred during the rainy season (May to October). Accordingly, financing is requested for the construction of a 40 x 60 metre hangar having a height of 10 metres to house three to five aircraft depending upon size. Estimated cost is \$1,300,000.

T-26 Modernization of the national passenger transport service

66. The national passenger transport service was created in 1976 but has not yet been able to achieve its goals. It is now necessary to improve the quality of this service, to develop new services, to improve the management of existing resources and investments, to improve maintenance and to develop training programmes. New vehicles, spare parts, new repair equipment and technical assistance in training and management are required. Estimated cost is \$3 million.

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