



United Nations
Development Programme

Distr.
GENERAL

DP/CP/EQG/2
25 March 1983
ENGLISH
ORIGINAL: SPANISH

GOVERNING COUNCIL
Thirtieth session
June 1983
Agenda item 5(b)

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

SECOND COUNTRY PROGRAMME FOR EQUATORIAL GUINEA

UNDP assistance requested by the Government of
Equatorial Guinea for the period 1982-1986

Illustrative IPF for 1982-1986: \$11,750,000

INTRODUCTION

1. The Government projects supported by UNDP during the second five-year period (1977-1981) were for the most part formulated after the new administration came to power in August 1979. The previous period (especially between 1976 and 1979) was characterized by a very low level of programming and very modest achievements. The second cycle consisted of projects which primarily envisaged some kind of emergency assistance, such as the projects Electricity Sector (EQG/79/002) and Support for Food Distribution (EQG/81/010).

2. In March 1982, the Government of the Republic of Equatorial Guinea requested the Administrator of UNDP to authorize the extension of the first country programme

Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, annex 1), the second country programme for Equatorial Guinea is being submitted to the Council without an accompanying note by the Administrator. The previous country programme for Equatorial Guinea and the accompanying note by the Administrator was issued under the document symbols DP/GC/EQG/R.1 and DP/GC/EQG/R.1/RECOMMENDATION, respectively.

for one year, i.e. up to December 1982. The Governing Council of UNDP approved the request at its session in June 1982.

3. Accordingly, the Government of Equatorial Guinea has prepared a second programme covering essentially four years (1982-1986) of the third programming cycle, including activities undertaken in 1982 and the continuation of the operations begun in August 1979.

4. Various reviews, studies and consultations with UNDP and the executing bodies preceded the preparation of the programme. UNDP conducted a revision of all ongoing projects in October 1982 and submitted a report to the Government setting forth observations and recommendations made in connection with various tripartite meetings held to evaluate key projects.

5. Furthermore, in a note sent to the Government by the Resident Representative concerning the preparation of the second programme, UNDP provided a brief evaluation of previous experience reflecting the achievements in development resulting from the support provided by the United Nations system.

6. The programming exercise benefited in particular from the results achieved and experience gained in preparing the Three-Year Plan for Economic Recovery, since many major international bodies contributed to the preparation of the Plan. There were also numerous project proposals which supplemented the documentation sent to the donor conference organized by the Government with the assistance of UNDP in April 1982.

7. The Food and Agriculture Organization of the United Nations (FAO), the United Nations and the International Labor Organisation (ILO) participated in sectoral missions. For the purpose of detailed programming, extensive consultations were also held within the Government to ensure that, when formulating the programme on the central topics, the priority requirements of the sectors would be taken into account.

8. The illustrative indicative planning figure (IPF) of Equatorial Guinea for the period 1982-1986 is \$11,750,000. Since 20 per cent of the IPF is being kept in reserve, \$9.4 million of the illustrative IPF is available for programming: a level of funds which, taking into account the inflationary factor, exceeds the IPF of the previous cycle in real terms.

9. In addition to the resources of the IPF, supplementary funds were taken into account in formulating the programme, consisting of the remainder of unutilized funds from the first country programme for Equatorial Guinea (1977-1981) amounting to \$912,000 and a special allocation of \$500,000 which will be available from 1984 onwards. In accordance with General Assembly resolution 37/133 of 17 December 1982, Equatorial Guinea was included in the list of least developed countries, and it will therefore receive an allocation of \$700,000 from the Special Measures Fund for the Least Developed Countries.

10. In addition to the funds available under the IPF, other resources are envisaged for 1982-1986:

\$US

World Food Programme (WFP)	15,000,000
United Nations Fund for Population Activities (UNFPA)	1,800,000
United Nations Capital Development Fund (UNCDF)	1,620,000

11. Assuming that additional resources are made available to the Government from these funds, they will be used in accordance with the needs and priorities of the Three-Year Plan, preferably for projects for rural development and the advancement of labor.

PROPOSED UNDP TECHNICAL CO-OPERATION IN SUPPORT
OF NATIONAL DEVELOPMENT PRIORITIES

12. The economic difficulties and administrative problems which Equatorial Guinea is continuing to experience originate largely in the economic and social situation which prevailed before independence. Moreover the years 1968-1979 following independence had very serious consequences for Equatorial Guinea's economic and social development.

13. The colonial era deeply scarred Equatorial Guinea and left behind a structure characterized by specialization in the export of unfinished products, economic dependence, a lack of industrialization and regional imbalance.

14. Equatorial Guinea's dependent economy was based almost entirely on agricultural and forest production for export, with three main products: cacao, coffee and wood, which represented between 90 and 95 per cent of total export resources. These products were not processed or treated.

15. From the agricultural point of view, the colonial era created a dual structure: on the one hand, a vast sector of subsistence economy cut off from the monetary circuits, especially in the continental region, and on the other, a sector of large plantations for export.

16. The large plantations operated on the basis of labour imported mainly from neighbouring countries and remunerated primarily in kind (lodging, food and basic medical care). Thus the low level of monetary wages was not conducive to the establishment of a domestic market for the country's autonomous development.

17. Attempts were made to bring about an economic and social restructuring but they were greatly hindered by the lack of clear guidelines for an organized transition and the absence of an adequate administrative apparatus, not to mention other factors such as the enormous increase in the expenditure on energy after 1974, the situation of "non-administration", the paralysis of public services, the decline in the country's main types of production and the reduction in imports.

18. From the point of view of food, the disruption in traditional sea-fishing gave rise to a serious shortage of protein for the population. The situation, which was widespread throughout the country, increased the susceptibility to disease of the most vulnerable groups.

/...

19. The cessation of school activities is perhaps the most serious impediment to Equatorial Guinea's organized development. The continuing lack of skilled labour continues to be a serious obstacle on the road to national reconstruction.

20. In August 1979, the priorities of the new administration were established as the reconstruction of the country and the reorganization of the State. In 1980-1981, initial activities were organized with the technical and financial assistance of the international community in response to an appeal from the Secretary-General of the United Nations. During this period, legislative activities took place with the purpose of creating a general framework for the functioning of the public and private sectors, including a law on investments. Initial steps were made towards the recovery of the administrative infrastructure, the resumption of basic public services and the re-establishment and control of the apparatus for Equatorial Guinea's economic and financial administration.

21. In order to broaden the basis of co-operation, mobilize resources and improve the organization of national reconstruction process, the Government decided in November 1980 to hold a donor conference so that it could submit a consistent and coherent plan of economic recovery to the international community and the international community could meet priority needs and provide assistance within a well-defined development strategy. The documentation and the Three-Year Plan were prepared with technical assistance from UNDP and the specialized agencies of the United Nations.

22. The support of the international community has meanwhile been manifested in the form of firm commitments for most of the specific projects submitted at the donor conference. In October 1982, the amount of external resources mobilized by the Government was some \$90 million.

23. In line with the intentions expressed to the international community at Geneva in April 1982, the Government wishes to concentrate the assistance from UNDP and the specialized agencies of the United Nations on basic problems and on remedying the major deficiencies which could impede the effective implementation of the Three-Year Plan and are obstructing the absorption and appropriate use of available resources. Consequently, the objective of the second UNDP country programme is the optimum implementation of the Three-Year Plan for Economic Recovery and the consolidation of the foundations for future planning and continuous development.

A. Planning and development

24. The objectives of the second country programme in this sector are the following: (a) to create the legislative, administrative and logistic conditions for the effective implementation of the Three-Year Plan; (b) in that connection, to establish a national mechanism responsible for the continuous approval, assessment, co-ordination and follow-up of the projects included in the Three-Year Plan; (c) to compile relevant statistical data; (d) to prepare studies on specific economic, monetary and social problems and formulate strategies and policies for their solution.

Ongoing projects

Assistance in the preparation of a donor conference (EOG/80/019)

25. Under this project, the Government prepared the Three-Year Plan for Economic Recovery and Development described in the documentation submitted to the donor conference in Geneva in April 1982. Following the mobilization of sizeable resources, missions to assist in the continuous follow-up and implementation of projects have been envisaged. The UNDP contribution in 1982-1986 is estimated at \$250.

National census of population and housing (EOG/80/POI)

26. The last national census was held in 1968. Currently there are no exact figures on the number of inhabitants, jobs, salaries, etc. In 1981 and 1982 preparations were made for a comprehensive new census and an additional contribution of \$500,000 is envisaged for 1983-1986 to carry out the census and evaluate the data obtained.

New projects

Assistance to the Ministry of Planning, Economic Development and Co-ordination (EOG/82/001)

27. The project will assist in establishing in the Ministry a special body for the co-ordination and follow-up of the projects included in the Three-Year Plan. Assistance will also be provided in implementing the plan and in creating a basis for future planning through the training of economists and planners. The UNDP contribution is estimated at \$580,000.

Diagnostic study of the monetary policy and exchange (EOG/83/001)

28. The current limitations in the convertibility of the national currency are a major obstacle to economic recovery. The study envisaged will diagnose the existing difficulties and present options for a restructuring of the system, analysing the impact and implications of possible alternatives. The UNDP contribution is estimated at \$65,000.

Strategy for the supply of basic foodstuffs (EOG/83/002)

29. Under this project, the current situation regarding the supply of essential foodstuffs to the population will be analysed and a strategy for ensuring a sufficient supply will be prepared, taking into account the rate and trends of national production, the contributions of bilateral and multilateral bodies and the need for commercial imports. The UNDP contribution is estimated at \$55,000.

B. Administration of public services, control of financial resources and international negotiations

30. The objectives of the second country programme in this sector are the

/...

following: (a) to strengthen the control of financial resources (income and national expenditure) and improve the efficiency of the tax system and the operation of services; (b) to establish a technical and administrative base for future planning at both the global and sectoral levels.

Ongoing projects

Statistical services and national accounts (EOG/80/002)

31. The lack of statistical data is a severe impediment to the planning and adjustment of the development policy. The project is providing assistance in reorganizing the compilation and evaluation of statistical data within the Ministry for the Plan and in setting up a national accounts body in order to control State expenditure. The activities under the project were initiated in 1981 and the additional UNDP contribution for 1982-1986 is estimated at \$425,000.

International negotiations and advice on investments (EOG/80/115)

32. In view of the volume of investments needed for the public and private sectors, this project will assist the competent authorities, through legal and technical advice, in negotiating and concluding international contracts, setting up semi-public companies, etc. In addition, a sector of the national plan will be devoted to this type of activity. The extension of the project in 1982-1986 requires a UNDP contribution of approximately \$80,000.

New projects

Strengthening of the public administration (EOG/82/003)

33. In order to meet the requirements of national development, the Government reorganized the administrative machinery after the donor conference. The project will support the modernization of the administration and train national personnel at various levels of the key ministries in order to improve public administration and thus optimize the capacity for absorption of the resources mobilized for the Three-Year Plan. The programme of training in situ will be accompanied by the practical preparation and introduction of administrative guidelines and rules. In addition, the operations and economic functioning of the public services and State enterprises will be subjected to a critical review with a view to restructuring those bodies and making them more economical. It is envisaged that a Latin American institution will be subcontracted for personnel training. The contribution of UNDP is estimated at \$1,623,000 for 1983-1986.

C. Development of labour, advancement of women, basic education

34. In this sector, the aim is to provide training and education for human resources on a massive scale on the basis of a rapid revitalization of the public education systems.

Ongoing projects

Training of in-service teaching personnel and updating of curricula (EOG/80/012)

35. This project is concerned with training and recycling of 520 primary school teachers in order to establish a solid foundation for school education. In addition, a post-colonial curriculum is being prepared which adequately reflects major aspects of the local economic and social environment. The activities carried out through the teaching centre in the continental region were begun in 1981. A UNDP contribution of \$920,000 is envisaged for the principal phase of the project in 1983-1986, as well as additional financial inputs from the United Nations Children's Fund (UNICEF).

Logistic support for the school nutrition programme (EOG/81/010)

36. Experts of the United Nations Volunteers programme are supporting the operations of the School Nutrition Service (SEAN) of the Ministry of Education in storage, distribution and accountability in respect of food aid from PMA of an annual value of some \$3 million. In this connection, education in balanced nutrition is being provided so that the target group (the primary school population) derives maximum benefit from food products. The project began in 1982 and an additional UNDP contribution for 1983-1985 of \$160,000 is envisaged.

New projects

Formulation of strategies and implementation of projects for the advancement of women in development (EOG/83/003)

37. Under this project, the State Secretariat will be assisted in its work for the advancement of women in the economic and social spheres and in carrying out pilot activities, concentrating efforts, in the first place, on the rural areas. The UNDP contribution is estimated at \$200,000, and additional contributions are expected from the Voluntary Fund for the United Nations Decade for Women.

Organization and administration of co-operatives (EOG/83/004)

38. The production of staple agricultural products is hampered by the shortage of equipment, tools and supplies in good condition. Difficulties are encountered in marketing because of the inadequate structures of the domestic market. Thus the project will provide assistance in organizing and administering co-operatives to facilitate the cheap purchase of inputs and the local marketing of products. The UNDP contribution is \$404.

Administration of work and development of the labour force (EOG/83/005)

39. Under this project, assistance will be provided in formulating and introducing a programme of action in the field of vocational training and in implementing at the administrative level the Social Security Code, prepared under the previous project (EOG/81/009). A UNDP financial contribution of about \$500,000 is proposed for 1983-1986 to support these priority objectives of the Ministry of Labour.

D. Agriculture and forestry

40. In order to programme and implement the projects in an appropriate manner, the Ministry of Agriculture will establish a body to take responsibility for the preparation and approval of projects, and also their presentation for consideration by the bilateral and multilateral co-operation bodies which provide technical and financial assistance.

New projects

Project formulation and follow-up (EQG/81/007)

41. The purpose of this project is to create the capacity to formulate technical assistance and capital goods investment projects and to establish in the Ministry of Agriculture a managing body for follow-up which would be responsible for a large number of priority projects under the Plan for Economic Recovery. The aim is to improve the capacity for the absorption and effective utilization of significant available resources. The initial UNDP contribution is approximately \$280,000.

Assistance to co-operatives of small producers of cacao and coffee, continental region (EQG/81/008)

42. Under this project skilled personnel and equipment are made available to the Ministry of Agriculture in order to purchase, distribute, install and use the supplies and equipment required by small producers to increase the productivity of their crops. The appropriate contributions of capital goods amounting to \$1,622,000 are being financed by UNCDF. The UNDP contribution is \$250,000, including operational services of the United Nations Volunteers programme.

Development of rice cultivation (EQG/83/007)

43. On the basis of the practical experience of technical assistance in China, this project will serve to investigate the technical and economic feasibility of rice crops and pilot crops will be grown in the continental region. The initial UNDP contribution is about \$642,000.

Commercial use of wood (EQG/83/008)

44. Wood is one of the main export products. Under this project the Government wishes to establish and introduce an operating policy and administrative rules and norms to optimize the national profits derived from the increasing production of wood. An initial UNDP contribution of some \$350,000 is expected.

E. Natural resources

45. The development of the hydrocarbons potential will help stimulate the medium-term economic situation and not only save foreign exchange now used to import products derived from hydrocarbons but also create sources of income to Equatorial Guinea when it has a surplus for export.

Ongoing projects

Assistance to the petroleum sector (EQG/18/016)

46. With a view to exploiting potential hydrocarbon resources, this project contributed to the preparation of a sectoral law, including a model contract for the exploration/development of deposits. In addition, a detailed study was prepared on possible deposits on the basis of seismic tests. A global bid for tenders and evaluation of offers will be organized for the award of concessions for exploration and exploitation. Additional assistance from UNDP of \$250,000 for 1982-1983 is proposed to conclude the ongoing activities.

F. Industry

47. In this sector the aim is to revitalize and stimulate the production sectors, with special emphasis on the production of food and the setting up of small import substitution industries based on agriculture.

Ongoing projects

Emergency assistance to the electricity sector (EQG/78/002)

48. The aim of this project, which was initiated in 1980, is to repair the hydroelectric plant at Musola with an accumulative capacity of 720 kilowatts and renovate the high-tension network connecting the plant with the nearby port of Luba in the south of the island of Bioko. An additional financial contribution from UNDP of about \$230,000 is required in 1982-1983 to complete the repair and reinstallation of two generators.

New projects

Construction of wooden bridges (EQG/82/002)

49. The construction of wooden bridges using local materials and labour will make it possible to re-establish access to many remote areas, particularly in the continental region, and also to involve them more closely in the national development process. Under the project, two model bridges will be built to demonstrate the technical and economic feasibility of this concept and encourage the use of resources available in Equatorial Guinea. A UNDP contribution of approximately \$80,000 is envisaged.

E. Telecommunications and transport

50. A legislative framework will be created for telecommunications, the training of personnel and the improvement of the management and organization of the telecommunications and transport administration.

Ongoing projects

Telecommunications: administrative control and operation of services (EOG/81/001)

51. The national and international telecommunications operations use equipment of different origin and are currently experiencing technical and administrative difficulties. The purpose of the project is to establish a legislative and administrative framework, to introduce a system of rates to cover the operating and maintenance expenses, and to design and set up a department to operate the services. The Governments of Spain and China are providing assistance for the technical operations of telegraphs and telephones. The project began in 1981 and an additional UNDP contribution of \$480,000 is proposed.

New projects

Civil aviation: reorganization of the administration and of national operations (EOG/82/004)

52. The project will be concerned with reorganizing the administration of civil aviation and strengthening the management of the national airline with a view to improving the technical and economic level of operations. These are priority objectives which are necessary to ensure the vital function of air transportation. A contribution of \$580,000 is proposed.

Reorganization of maritime transport (EOG/83/006)

53. The economic recovery programme will lead to a considerable growth of exports and imports by sea and of transportation within the country. The project will provide assistance in setting up a national port authority in order to improve the efficiency of the principal ports of Malabo, Luba and Bata and increase the earnings of the port operations for the treasury. Support will also be provided to the reorganization of the administration and technical operations of the national shipping line. It is envisaged that the services of the port administration of a neighbouring country will be contracted to implement this project. A UNDP contribution of approximately \$360,000 is proposed.

G. Miscellaneous sectors

Ongoing projects

Special programme support (EOG/80/013)

54. The implementation of projects financed by UNDP is being hampered by the absence of a local market for the purchase of vehicles, equipment, spare parts and office supplies in good condition. The Government therefore requests that this project be continued since it will facilitate the acquisition of essential supplies and equipment which are available in countries of the region and will make it possible to maintain the equipment for the various projects in an organized manner. The project will also include a component for multisectoral technical consultation to meet future requirements which cannot be foreseen in detail. The additional UNDP contribution is estimated at \$150,000 for the years 1983-1986. /...

Annex

FINANCIAL SUMMARY

A.	<u>Resources</u>	<u>\$US</u>
a.	<u>IPF and other resources</u>	
(i)	Illustrative IPF for 1982-1986	11 750 000
(ii)	Less unprogrammed balance a/	(2 350 000)
(iii)	Less budgetary level authorized for 1982	(1 420 000)
(iv)	Carry-over from previous IPF cycle	912 000
(v)	Other resources: Special Measures Fund for the Least Developed Countries	<u>700 000</u>
	Total resources available for programming	<u><u>9 592 000</u></u>
B.	<u>Use of resources</u>	
a.	<u>Programmed</u>	
(i)	Ongoing projects	3 465 000
(ii)	New projects and new phases included in the country programme	5 949 000
(iii)	Earmarked for specific objectives and activities for which projects are to be worked out at a later stage	<u>178 000</u>
	Total	<u><u>9 592 000</u></u>

C. Financial distribution of programme by sector

<u>Sector</u> <u>b/</u>	<u>Ongoing</u> <u>projects</u>	<u>New</u> <u>projects</u>	<u>Sectoral</u> <u>earmarkings</u>	<u>Total</u>
	\$US			
02 General development planning	1 255 000	2 313 000	-	3 568 00
03 Natural resources	270 000	-	-	270 00
04 Agriculture, forestry and fishing	-	1 422 000	178 000	1 600 00
05 Industry	230 000	80 000	-	310 00
11 Education	1 080 000	200 000	-	1 280 00
12 Employment	-	994 000	-	994 00
17 Unspecified	150 000	-	-	150 00
TOTAL	3 465 000	5 949 000	178 000	9 592 00

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming.

b/ According to the ACC classification.
