Thirty-fourth session  
26 May-19 June 1987, New York  
Item 5 (b) of the provisional agenda

PROGRAMME PLANNING  
Country and intercountry programmes and projects

THIRD COUNTRY PROGRAMME FOR THE REPUBLIC OF GUINEA-BISSAU*

Programme period  
1987-1991

Actual resources programmed  
$  
IPF for 1987-1991  
16 414 000  
Borrowing from the fourth cycle  
(160 000)  
Other resources programmed  
3 052 900  
Total  
19 306 900

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* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; and (e) distribution of new country programme by sector.
I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. At the end of 1986, despite the efforts undertaken by the Government and the sacrifices made by the people - particularly from December 1983 on when a stabilization programme was launched with assistance from the International Monetary Fund (IMF) - Guinea Bissau, was still suffering from fundamental imbalances requiring further specific measures primarily designed to create a healthier economy.

2. The causes of this crisis can be found in the structure of the economy - in the juxtaposition of two worlds which do not mesh well: the rural world, which produces 50 per cent of the gross domestic product (GDP), and the modern world. These fundamental difficulties have been complicated by the disastrous cumulative effects of the series of droughts between 1977 and 1983, and by the poor yield of an investment programme only tangentially related to the economic and social conditions of the country, which entailed structural compromises and thus helped to accelerate the dislocation of the economy.

3. A succession of ill-considered investments in areas other than the priority sectors has led to the emergence of a modern sector characterized by large State enterprises, generally operating at a deficit, and to a national external indebtedness that amounts to $US 271 million, or about 150 per cent of the 1986 GDP. The estimates for debt-servicing are as follows: $17.4 million in 1986, $25.2 million in 1987 and $28.9 in 1988. Since exports average about $12 to $14 million per year, it must be acknowledged that the country finds itself in a particularly critical financial situation.

4. Indeed, both within and outside the country, there are major economic and financial imbalances: (a) the public investment budget is almost entirely financed from external resources, 32 per cent in grants and 56 per cent in loans; the operational budget deficit is chronic and is financed by Central Bank advances and partly by food aid, while budget revenues are not sufficient to pay civil service salaries and wages; (b) the balance of payments shows a permanent deficit in the goods and services account, which has stood at about 40 per cent of the GDP since 1980, with imports averaging $65 million, or almost five times more than exports; and (c) the official rate of the peso (the national currency) is approximately 230 to the dollar, the parallel market rate being about three times higher than the official rate.

5. Agriculture is still the principal economic activity despite the reduction in rainfall over the last few years which has caused many wells to dry up and has had considerable impact on food crops and animal production. Agriculture accounts for over 50 per cent of the GDP and employs close to 80 per cent of the population. Agricultural development is also hamstrung, particularly by the dearth of skilled workers, the shortage of agricultural inputs, the lack of production incentives, the problems involved in supplying the rural population, and an inadequate distribution chain.
6. Industry, held back by insufficient and irregular energy production, consists primarily of State-run processing plants whose output is low. The few small private enterprises in the sector still do not have the support needed to expand their activities.

7. In mining, poor design and management make it impossible as yet to mine on an industrial scale or even to draw up an exhaustive inventory of the country's mineral resources.

8. Trade, heretofore mainly in the hands of the State sector, resembles the public administration itself in that its operation is overstaffed, often with unqualified personnel who are proving increasingly incapable of carrying on the business of exporting, importing and distributing goods. This precarious situation in the State sector poses enormous problems when it comes to managing the economy and making effective use of external aid.

9. In the social sector, health problems are due mainly to shortage of staff and health infrastructures, and to the many endemic diseases, protein- and calorie-deficient foods and shortage of drinking water. Secondly, the inherited educational system remains largely unsuited to the real development needs of the country and there is a shortage of teachers and infrastructures.

10. However, Guinea-Bissau has real potential for economic development, particularly in the areas of agriculture, forestry, fisheries and mining. There is, in fact, an unused reserve of approximately 0.6 million hectares of arable land with good possibilities for food crops (rice, manioc, etc.) and industrial crops (ground-nuts). There are approximately 1.3 million hectares of forest land and the potential fish yield is estimated at about 250,000 tons per year. In the mining sector, large deposits of bauxite and phosphates have been found.

11. However, the actual realization of this potential as an instrument of economic and social development requires a coherent and sustained strategy which will begin by rectifying the current situation in order to create the conditions for a lasting economic recovery.

B. National development strategies

12. The First Development Plan (1983-1986) gives top priority to the productive sectors and makes food self-sufficiency and increased exports the basic objectives. The strategy devised for this purpose will proceed in three stages: economic and financial stabilization, revitalization of the national economy, and autonomous development.

13. The first phase, economic and financial stabilization, was to have been implemented through 1984, with the following objectives: (a) establishment of sound economic and financial conditions; (b) reorganization of the distribution chain; (c) mobilization and careful use of foreign aid; and (d) improvement in economic management.
14. The stabilization phase has actually covered the entire period of the First Plan and, given the poor performance of the economy in 1985 and 1986, it has been extended from 1986 to 1989. For purposes of stabilization, the Government, as part of a structural adjustment programme, has agreed with the World Bank on a series of measures aimed basically at achieving economic and financial stabilization by dealing with the priority problems facing the Government: (a) reduction of the budget deficit; (b) reduction of the balance-of-payments deficit; (c) control of inflation rates (approximately 68 per cent in 1986); (d) control of the external debt; and (e) devaluation of the peso.

15. The various policy measures adopted by the Government, such as the creation of a special external debt fund and the establishment of a price stabilization fund for the main export products, are an extension of activities under the first stabilization programme.

16. For purposes of restoring the balance of internal macroeconomic forces, the Government has reaffirmed its intention of reducing the public sector deficit in relation to the GDP, in particular by cutting back the public investment programme, raising agricultural prices and reducing the size of the civil service. With regard to external affairs, the Government has made it a priority to reduce the current-account deficit in relation to the GDP.

17. The rural sector is still the driving force of development. Growth in this sector will be stimulated by supporting small and medium-sized private enterprises and promoting the activities of trade or village associations in which women will participate to a greater extent. This policy will go hand in hand with incentives for increasing rural production.

18. In the financial field, the Government plans to improve financial administration and banking services, inter alia, by creating a private trade sector. With the support of the international community, the Government will begin to restructure and improve the management of the external debt.

C. Technical co-operation priorities

19. The Government's technical co-operation priorities were formulated mainly in the course of the round-table talks supported by the United Nations Development Programme (UNDP), which started in May 1984 in Lisbon, after a preliminary meeting in Geneva in June 1983. At the Bissau meeting, the Government reviewed with the donors its economic and financial stabilization programme as well as its ongoing First four-year economic and social development Plan. It submitted estimates to the donors of its medium-term external assistance needs: (a) first, non-project-related assistance needs including (i) a programme to reorganize and reactivate production, mainly by financing the purchase of equipment, plant and spare parts and the importing of goods needed in rural areas ($US 52 million); (ii) a programme to ease the trade deficit by importing food products, building materials and fuel ($US 72 million); and (iii) economic planning and management activities ($US 6.8 million); and (b) second, project-related assistance needs for a total cost estimated at $US 172 million for 1983-1986. Most of the projects in question had to do with the priority sectors of agriculture, fisheries and mining.
20. The World Bank, IMF and a few major bilateral donors pledged a total of $US 70 million for non-project-related assistance and, overall, donors announced contributions amounting to $US 91 million for assistance to projects submitted to the round table.

21. In April 1985, at the first follow-up meeting to the round table, the donors confirmed their previous year's pledges. But because of the delays in fulfilling those pledges, the follow-up meeting recognized a need to take co-ordinated action on the recommendations and decisions of the round table as appropriate. It also recommended continuation of the stabilization programme beyond 1986 to consolidate the results obtained thus far, with particular emphasis on food self-sufficiency, financial reorganization, economic management, education and training. It was decided at the meeting to hold sectoral consultations on health, non-governmental organizations, agriculture and fisheries, and a special meeting on manpower and technical assistance. The latter meeting will be the culmination of the National Technical Co-operation Evaluation and Programmes (NaTCAP) study currently being carried out with UNDP support to provide the Government and its partners with a frame of reference for co-ordinating technical assistance, development and an optimal use of national manpower, which are now among the Government's top priorities.

22. During the programme review of 18 March 1986 and the discussions preliminary to the preparation of the third country programme, the Government confirmed these priority objectives, which taken together, constitute its economic and financial stabilization programme, as well as the strategy it has decided to follow to achieve them. It requested the international community as a whole, and the United Nations system in particular, to support its efforts to establish and maintain the structural factors for reorganizing and reviving the national economy, which should ultimately lead to the establishment of the conditions for the autonomous development of the country.

23. More specifically, the Government asked UNDP to increase its promotion and co-ordination efforts aimed at increasing agricultural production for food self-sufficiency, strengthening the management capacity of the national administration and promoting socially productive activities by the people and the development of human resources.

D. Aid co-ordination arrangements

24. In Guinea-Bissau a number of more or less formal mechanisms have been set up to facilitate the mobilization and co-ordination of external assistance at the Government level as well as at the external level, with the direct participation of the international community.

25. For a number of years, there has been a Government Ministry responsible for co-ordinating external aid; in recent years it has been the Ministry of the Economy, Planning and International Co-operation. The Ministry has had outside help in carrying out these tasks in particular, from the project on planning assistance (GBS/82/009). Over and beyond its work towards the establishment of a
national planning system, the project has helped the Ministry in its negotiations with external partners and has served as focal point for round-table activities. As from January 1987, the recently created State Secretariat for Economic Affairs and International Co-operation of the Office of the President has been given the function of aid co-ordination. Now this young institution must be helped to develop, as quickly as possible, the capability required to function effectively.

26. At the external level, the round-table arrangement initiated in 1984 is being continued with the sectoral consultations decided during the first follow-up meeting in April 1985. The Government recognizes the valuable help provided by the round table in defining and orienting its economic policy and in working with its foreign partners to improve the co-ordination and utilization of foreign aid. For example, the November 1985 sectoral consultation on non-governmental organizations, to which the Government invited all non-governmental organizations involved or likely to become involved in Guinea-Bissau, provided the Government with an opportunity to outline to its partners its new participatory development strategy. On that occasion the Government requested UNDP to initiate a national programme of support for core activities by establishing permanent machinery for dialogue and co-operation between the Government and its various partners. Similarly, the sectoral consultation on health held in February 1986 provided the Government with an opportunity to submit a report on the country's health status, the national strategy for achieving the goal of Health for All by the Year 2000 and the priority projects for which it was seeking assistance. For the most part the international community has responded to the Government's appeal and has agreed to provide support for certain priority projects.

27. Three sectoral consultations are planned for 1987: (a) consultations on agriculture and fishing with the World Bank and the Food and Agriculture Organization of the United Nations (FAO), both in May 1987; and (b) consultation on human resources and technical assistance with the participation of the European Economic Community (EEC), which is preparing a study on the adaptation of training to job opportunities, to be considered together with the conclusions of the NaTCAP study, on which preparatory work is proceeding with UNDP assistance.

28. NaTCAP, which is trying to establish a frame of reference for technical assistance and human resources development for the Government and its partners, represents an instrument of prime importance for the co-ordination of external aid. The study will include in particular: (a) a description of sectors with high priority needs for technical assistance in the short and medium term; (b) an action programme for the application of technical assistance resources in specified sectors to supplement the series of institutional reforms and measures to improve the management of the economy, administrative reform, the investment programme, trade reform and financial and monetary policy measures; the major projects for the third programme (1987-1991) will be closely linked to the NaTCAP exercise under this heading; and (c) specific mechanisms to facilitate systematic consultations between the Government and its partners aimed at establishing a joint, coherent and co-ordinated programme of technical assistance.
29. In view of the persistence of substantial problems affecting the public debt and the balance of payments, the Government has approached UNDP for assistance in the preparation of a meeting on non-project-related aid. This meeting could be convened at the end of 1987 with the support of the World Bank and IMF.

30. A second round-table cycle will begin in 1988 with the convening of a conference for the specific purpose of analysing aid co-ordination in Guinea-Bissau, including project aid, non-project-related aid and food aid.

31. On the issue of aid co-ordination at the external level, mention should be made of the informal meetings held in the field with the UNDP Resident Representative in his capacity as Co-ordinator of the operational activities of the United Nations system. In 1986, co-ordination meetings were held on education, energy, food aid and Guinea-Bissau's structural adjustment programme. The participants in these meetings are chosen on the basis of their current or future involvement in the various sectors concerned. These activities will be continued in 1987 with a meeting on aid for economic management and the public sector and another on water resources. These two meetings should be held during the first quarter of 1987.

II. THE COUNTRY PROGRAMME

A. Assessment of previous country programme

32. The second Guinea-Bissau programme, 1982-1986, was approved in May 1982, in direct compliance with the priority goals of the first economic and social development plan (1983-1986), which had been upheld by the directives of the first Special Congress of the African Party for the Independence of Guinea and Cape Verde (PAIGC) in November 1981; they related, in particular, to: the improvement of food production, health, education, transport and communications, and economic management as well as the stabilization of commodity prices and the development of the poorer areas.

33. The Government has requested UNDP to concentrate the primary thrust of the second programme on the agricultural, natural resources, education and health sectors and subsequently on planning, administration, and transport and communications.

34. In response to this appeal, UNDP has continued and strengthened certain activities initiated during the previous cycle which had objectives consistent with the new priorities; it has also initiated new activities specifically related to agriculture, natural resources, transportation and communications, regional development and the co-ordination of external resources. In all, a total of 18 projects were launched during the second programme.

35. A first review of the programme, undertaken jointly by the Government and UNDP in July 1984, confirmed that its goals were consistent with those of the Government and did not call for major changes; it merely made a few adjustments in certain projects, which had the effect of consolidating their results or bringing their goals into even closer conformity with Government priorities.

...
36. A second review took place in March 1986. With enough time having elapsed for a better perspective, it was possible to make an overall analysis of the evolution of the programme and to examine the status of each ongoing project. This exercise allowed for evaluation of the flexibility shown by the programme during the second quarter of 1984 – the period when the economy was in full crisis – in adapting to important changes which the Government had decided to make in the general co-ordination and scale of priorities established in 1982. Those changes emphasized still further the need to restore public finances to soundness, to improve economic management and to mobilize and co-ordinate external aid and self-sufficiency in food.

37. The programme responded promptly and effectively by strengthening its ongoing activities in certain sectors and by initiating new activities in other sectors so that it covered the most sensitive sectors as a matter of priority.

38. For example, in the area of economic management, the programme strengthened its planning assistance in order to support the Government in implementing its economic and financial stabilization programme, and at the same time, lay the foundation for a national planning system.

39. In connection with the mobilization and co-ordination of external aid, the programme has revived the round-table process started in May 1984, through its support for the organization of sectoral consultations designed to encourage direct co-operation between the Government and its financial backers and among the financial backers so as to co-ordinate their participation in the financing and implementation of the programmes/projects of the different sectors concerned.

40. As a step towards self-sufficiency in food, the programme has strengthened its seed-storage activities, with the result that since 1985 Guinea-Bissau has been able to build up an increasingly ample security stock of selected rice seed. This action has also had a positive effect on the advancement of women, who make up the largest group of farmers.

41. In the field of human resources and education, the programme's continuing assistance to the Technical Institute for Vocational Training has helped provide the Government with a tool for preparing and implementing its national vocational training policy. The programme also provides the Government with substantial aid in secondary education through the training of teachers and the preparation of curricula.

42. The impact of the programme on the development of natural resources is seen mainly in the pursuit and co-ordination of investments in the energy sector and in the improvement of rural water supply, thus making the living and working conditions of the female population more tolerable.

43. The March 1986 review made it clear that the positive results of the programme have been obtained with the assistance of other funds such as the United Nations Capital Development Fund (UNCDF), the Special Measures Fund for LDCs (SMF/LDC) and the operational funds under the authority of the Administrator of UNDP. The input from these funds has basically been allocated to the mobilization of external...
resources, South-South co-operation, agricultural infrastructures and water resources. The review also referred to the contribution of the United Nations family to the implementation of the programme. Whether as executing agencies for UNDP or as contributors from their own funds, they have provided valuable support to the programme in their various fields of responsibility.

44. The distribution of resources, by sector shows that 15.3 per cent of the total was allocated to the agricultural sector, as against 26.3 per cent initially posited in the country programme document (DP/CP/GBS/2). Natural resources and energy accounted for 26.4 per cent of the amount allocated compared with 13.7 per cent programmed. The economic management and general development sector absorbed 20.6 per cent of resources instead of 14 per cent while the human resources sector accounted for 25 per cent, as against 15.5 per cent programmed. Transport and communications absorbed 11.5 per cent, as against the programmed 10 per cent. Less than 1 per cent was allocated for health as against 7.5 per cent initially programmed.

45. This fairly substantial divergence between the original estimates and the programme resources actually distributed can be explained by financial constraints which have compelled the Government to base its options on the degree of urgency of its priorities. Thus, projects relating to the animal husbandry and health subsectors were not implemented so that action could be taken for the development of natural resources, food self-sufficiency, training, and the mobilization and co-ordination of external aid.

46. The March 1986 review, commenting on the design and implementation of programme projects agreed that, by and large, the projects were based on realistic goals so that they would be relatively easy to implement. Management, follow-up and evaluation procedures were carried out periodically during implementation of the programme and it was therefore possible to make appropriate changes in certain activities which were deviating from their goals.

47. Generally speaking, the main difficulties noted in the implementation of the programme relate to the problems of obtaining the inputs of the parties concerned, in particular the Government. Faced by an increasingly critical economic situation and a continuing shortage of cadres, it has not always been in a position to provide counterpart personnel and, in some cases, to meet deadlines for submitting candidates for training fellowships. On the other hand, there have been substantial delays by executing agents in the recruitment of international staff and the delivery of equipment.

48. A no less important constraint has been the relative dispersal of programme projects, resulting essentially from the various responses of the programme to the reorientation decided by the Government during the final months of 1984. This situation has not contributed to the internal cohesiveness of the programme and has hampered co-ordination with the other sources of external co-operation.

49. The lessons to be drawn from the design and implementation of the programme indicate that the third programme 1987-1991 must: (a) obtain prior agreement from the Government regarding the level of its counterpart contribution to projects.
without creating an unbearable burden for the Government; (b) make every effort to provide technical assistance based on real needs at the national and sectoral levels, taking into account the local availability of human resources; and (c) adopt a thematic approach - and no longer a project approach - with a view to enhancing the effectiveness and coherence of the programme and facilitating its co-ordination with the other sources of external co-operation.

B. New programme proposal

50. Under the third programme (1987-1991), UNDP will provide the Government with assistance in achieving the following priority objectives:

(a) Improvement in the management of the public sector (including economic management);

(b) Promotion of participatory basic development;

(c) Increase in food production and development of livestock-raising;

(d) Development of human resources.

These objectives, which clearly reflect the Government's overall strategy, come under the heading of implementation of the economic and financial stabilization programme, and provide essential support to Guinea-Bissau's structural adjustment programme. UNDP assistance will be based on a systemic approach, and it is the Government's wish that the projects to be implemented in certain sectors be selected and designed to help it co-ordinate assistance, by providing support to the Ministry in the preparation of sectoral consultations as a follow-up to the round table.

51. In addition to those priority sectors, the third programme will continue some consolidation activities in transport and communications and in energy.

1. Improvement of the management of the public sector (including economic management)

52. Since independence in 1973, one of the major constraints encountered by the Government in implementing its national development policies has been the structural and human resources weaknesses that its administration inherited from the colonial era. This administration suffers from the incompatibility of its structures, which are often poorly organized, and from overstaffing, with too few cadres familiar with modern methods of management and supervision. The Government is fully aware of this constraint and would like to eliminate it so as to have the technical capacity it will require in the later phases of the country's economic recovery and autonomous development. UNDP's task will be to help some of the technical ministries to strengthen their capacity for the management, control and co-ordination of the economy and finances. The projects will also provide support to the Government in formulating development policies which are consistent with its
strategic choices and in particular with the structural adjustment programme. It will allocate about 34 per cent of its resources to implementing its programme in the sector.

**Ongoing project**

**Assistance to the Ministry of Finance** (GBS/80/001)

53. The project was set in motion at the beginning of 1982 with the goal of helping the Government reorganize the Ministry of Finance, rationalize the fiscal system, establish a public finance management and monitoring system and train local management personnel. Since 1984 the project has concentrated mainly on the upgrading and monitoring of State-run enterprises and problems of the day-to-day management of the public debt. It was to have been completed at the end of the previous cycle, but its activities relating to the public debt were extended by three months (with one expert) so as to tie in with a new UNDP-funded project for the management of the public debt using funds other than the Indicative Planning Figure (IPF). Estimated cost of the project in 1987: $20,000.

**New projects**

**Assistance to the Ministry of Natural Resources and Industry** (GBS/86/006)

54. This new project will be implemented from March 1987 for three years in order to: (a) enable the Department of Mines to organize and manage the development and utilization of mineral resources which are likely to have a favourable impact on the trade balance; (b) provide the Department of Industry with the necessary structures and technical resources to promote and co-ordinate the development of small-scale industries; and (c) work out a legal framework creating incentives for the establishment of small village industries, thus supporting initiatives which may increase the participation of women in development. The project will provide institutional support for the activities of the redeployment (GBS/86/003) aimed at establishing small enterprises to benefit certain categories of individuals discharged from the civil service; it will also complement the programme of support to local initiatives. The project will be implemented by the United Nations Department of Technical Co-operation for Development (DTCD) in co-operation with the United Nations Industrial Development Organization (UNIDO). It will involve two long-term experts, several months' consultancy in various aspects of mining and industry and a significant training segment. Estimated cost of the project: $770,000.

**Support project for the programme** (GBS/86/011)

55. This project has been launched for two years starting in January 1987 to provide the Government with all the technical and logistic support needed for its effective participation in the implementation of the programme. The project calls for the financing of sectoral studies missions prior to project formulation, the organization of study trips and training courses for the national cadres involved in programme implementation and the provision of assistance to the Government department responsible for economic co-operation so as to facilitate its actual
participation in the management of the programme. Estimated cost of the project: $200,000.

Assistance in the reform of the public administration (GBS/86/013)

56. The efforts to ensure the redeployment of personnel discharged from the public sector must be accompanied by administrative reform aimed at redressing the disarray in the administration and the lack of co-ordination among its different organs. The project will help to equip the Government with modern means and methods of operation which are better suited to these needs and to development activities. In particular, it will include the restructuring of various government departments to make them more efficient and facilitate co-ordination between them. It will also devise the elements of a system of human resources management and development which can realize the country's potential. Estimated cost of the project: $740,000.

Assistance to planning (GBS/86/014)

57. Project GBS/82/009 provided the Government with considerable assistance in implementing its programme for economic and financial stabilization and in developing a national planning system. The project was to have been completed in December 1986 but, for administrative reasons and in order to provide support to the Ministry of Planning during the take-off phase of the structural adjustment programme, it was extended by four months ($90,000) pending the initiation of the current project (GBS/86/014). In view of the requirements of the programme, the project will mainly emphasize short- and medium-term macroeconomic problems. It is to last for three years with two permanent experts and several consultants. Estimated cost of the project: $840,000.

Assistance to the Department of Water Resources (GBS/87/002)

58. This project will be a continuation of the project Rural Hydrology (GBS/82/007), which constituted the third phase of assistance initiated in 1977 and which, for administrative reasons, was extended by three months in 1987 ($95,000). The project will have two aspects: (a) strengthening of the Department of Water Resources by enabling it to carry out all tasks relating to the planning and management of water resources (the results of the project will include the legislation/regulation of waters in accordance with real needs; a computerized inventory of resources, utilization and purification of water resources (plan of action); master water resources plan with identified programmes and projects; and (b) continued improvement of the water supply for the rural population in zone 2, and organization of the effective participation of that population, particularly women, in hygiene and sanitation activities and the maintenance/repair of pumps. The project, which will last for four years, will involve five international experts, two associated experts, two United Nations volunteers and two local experts. It will receive support from the United Nations Children's Fund (UNICEF) and UNCDF in respect of equipment and operation. Estimated cost of the project: $2,250,000.
59. Following project GBS/79/001, which was completed in 1986, this project makes available to the Government a number of United Nations volunteers to assist in various sectors of the economic and social life of Guinea-Bissau by bringing in technical skills and training local personnel. These United Nations Volunteers will be very useful to the Government in implementing its basic development strategy. Estimated cost of the project: $205,000.

Technical assistance to the Ministry of Finance (GBS/87/006)

60. Since 1980, UNDP has supported the Ministry of Finance under project GBS/80/001 in various fields of activity, together with other contributors (Netherlands, World Bank, IMF). That project will come to an end in March 1987, along with most of the sources of assistance mentioned above. A new project to support the Ministry is necessary in view of the decisive role which the Ministry of Finance will play under the structural adjustment programme. In this context, the correction of internal imbalances, particularly those of the State budget, is essential, and will require stronger support by the international community of the Ministry of Finance. The project will have two main objectives: first, to strengthen the Ministry's capacity in preparing and monitoring the operating and investment budget; and, second, to strengthen the Ministry's capacity in formulating budgetary policy. The project, which will last 30 months, will involve two experts, consultants for several months and training stipends. Estimated cost of the project: $420,000.

Research fund (GBS/87/007)

61. Under the policy of structural adjustment which began in January 1987 with the support of the World Bank, a special effort should be made to carry out sectoral studies and analyses to help the Government take the necessary remedial measures at the appropriate time. The project will finance a number of consultancy missions over the next few years to bring about a progressive improvement in the performance of the economy. These missions will make recommendations on economic and financial policy and, if necessary, will formulate projects. They will also help strengthen the Government's capacity in respect of short-term economic management and monitoring. The Government will be the executing agent for the project. Estimated cost of the project: $400,000.

Linkages

62. This assistance from UNDP, which will be provided from IPF resources, will be supplemented initially by other activities financed with funds under the authority of the Administrator of UNDP. Thus the Special Measures Fund for the Least Developed Countries (SMF/LDC) will continue to assist in mobilizing and co-ordinating external resources under the round-table process and also through support to be provided to the Secretariat unit in the Office of the President responsible for international co-operation. These funds will also be used to finance activities to improve statistics, with Portuguese co-operation. The Special Action Programme for Administration and Management in Africa will support
activities to improve the management of the public debt. This activity of the Special Action Programme will be carried out with French co-operation for France is expected to assist in this field. The World Bank, under the structural adjustment programme, will assist the Ministry of Finance in computerizing accounts and following up projects and will help the National Bank develop its accounting system. Together with UNDP, it will also participate in conducting a number of studies on the social impact of the adjustment programme (RAF/86/037). For its part, the African Development Bank envisions a line of credit of $US 1.5 million for technical assistance to Guinea-Bissau, which is to be defined on the basis of assistance already committed and the additional needs formulated by the Government. The European Community, for its part, is supporting the Government in its efforts to restructure the State commercial sector. The United States Agency for International Development (USAID) and Portugal, under a trilateral project with Guinea-Bissau, are strengthening the capacity of the National Bank to manage commercial and industrial operations.

63. Use of the assistance offered by the UNDP regional programme for Africa could fund additional activities in relation to: (a) training in management and planning for the public and private sectors; (b) strengthening of institutional capacities for the evaluation of natural resources and raw materials, promotion of research and development activities (including the adaptation of existing technologies to local needs, and training); (c) promotion of activities of the private and informal sectors; (d) evaluation of the social impact of the structural adjustment programme (RAF/86/037); (e) evaluation of surface and underground waters; and (f) personnel training.

2. Promotion of participatory development

64. In view of the rather modest results of the large-scale development projects implemented at the cost of heavy financial burdens following Guinea-Bissau's independence, and strengthened by the imagination and organizational capacity of its people, the Government decided to give further encouragement to the local populations - especially those in the poorest regions - to participate fully in their own development. This decision was confirmed at the conference of non-governmental organizations held in November 1985 at which the Government requested those organizations, UNDP and other bodies of the United Nations system to participate in achieving that objective. UNDP was asked to come up with a programme of support for the grass-root initiatives which would enable the Government to involve the co-operation organizations and people's associations as closely as possible with the objectives of participatory development. Simultaneously with this support programme, UNDP will continue its activities for the integrated development of grass-roots population groups in the poorest regions of the country. Sixteen per cent of the programme resources will be allocated to this sector of UNDP intervention.
Ongoing projects

Integrated rural development of the Bijagos Islands (phase II) (GBS/86/001)

65. After a first phase (GBS/86/006) which helped to install transport infrastructures and job entry exchanges, this second phase, using a participatory and integrated approach, is intended to develop activities for improving the status of the poorest population groups on the Bijagos Islands so as better to integrate them into the country's overall economic and social development process. The project started at the beginning of the second quarter of 1986. The first six months have basically been devoted to delivering equipment and hiring personnel. Actual development activities began in January 1987. Project duration is 30 months. Estimated cost of the project: $723,000.

Programme support for grass-roots initiatives (GBS/86/005)

66. In addition to financing operations for grass-roots initiatives, this programme is intended to establish an expanded system for continuing co-ordination between the Government, grass-roots population groups, research institutes, non-governmental organizations and other sources of multilateral or bilateral financing involved in grass-roots development projects. By achieving that objective, it is expected to improve the Government's capacity to manage and co-ordinate grass-roots initiatives. Estimated cost of the project: $600,000.

Linkages

67. Mention should first be made of the complementary contributions of UNCDF and the United Nations Development Fund for Women (UNIFEM) to the integrated development programme for the Bijagos Islands: UNCDF provides equipment and basic infrastructure and the second supports the promotion of remunerative activities for women. FAO and several non-governmental organizations also participate in this programme by providing, under the co-ordination of project GBS/86/001, small equipment, technical assistance services and support for the rural population of the Bijagos. Mention should also be made of the support of the United Nations Fund for Population Activities (UNFPA) and UNIFEM for the integrated development programme for women in the eastern region of the country and of some bilateral co-operation programmes such as those of Canada, Sweden, France, Belgium, the Netherlands, Switzerland, the Federal Republic of Germany and the United States. Usually through non-governmental organizations, they support the grass-roots integrated development programmes in the Caboaxaque and Cacheu regions in the south and west of the country. With respect to grass-roots initiatives, the FAO national development fund project will provide real opportunities for co-operation with project GBS/86/005, and will also include micro-projects which EEC will sponsor under its programme for the third Lomé Convention (Lomé III). All these rather un-co-ordinated activities will gain in co-ordination and complementarity with the establishment, through project GBS/86/005, of a national grass-roots development system. In the context of the regional programme for Africa, additional activities may be anticipated relating to the participation of women in rural development.
3. Increase in food production and development of livestock production

Despite growing difficulties for several years, the rural sector remains predominant in Guinea-Bissau's economic and social life. For climatic and structural reasons, production in the sector has steadily declined. For example, rice output went from 180,000 tons in 1960 to 105,000 tons in 1985. With respect to fisheries, even though the potential is estimated at 250,000 tons a year, industrial production does not exceed 5,000 tons a year. In livestock production, the number of head of cattle - which continue to suffer from infectious diseases and watering problems - has remained constant for some years. The rural sector of the country cannot meet the food needs of the population. The food deficit for 1986/1987 is estimated at 16 million tons. The Government, aware of the disastrous effects of the weak rural sector on the economy as a whole and of the country's real potential, has continued to give priority to increasing agricultural production in order to achieve food self-sufficiency in the medium term. UNDP will therefore concentrate its technical cooperation on the increase of grain and horticultural production and on the organization of the livestock and fisheries sectors. It will allocate 18 per cent of resources to these sectors.

New projects

Assistance to development planning and development of off-shore fishing (GBS/86/008)

The project will support the activities of the State Fisheries Secretariat for the identification, preparation and co-ordination of the execution of various programmes for the development of fisheries in Guinea-Bissau. Its support will be geared both to decision-making and to information and project formulation. The pursuit of these objectives should lead to long-term intensive and co-ordinated exploitation of the country's substantial fisheries resources. The project, which will be formulated following sectoral consultation on fishing, will last three years with a chief technical adviser, an expert and consultants. Estimated cost of the project: $400,000.

Development of horticulture in the green belt of Bissau (GBS/86/012)

Project GBS/84/U/002, financed by emergency funds, has succeeded in greatly improving the city of Bissau's supply of market garden crops by supporting the activities of some 800 women in the Bissau region on nearly 44 cultivated hectares. Project GBS/86/012 will transform this emergency assistance into a true development operation. The objective is to organize 1,500 women in an area of 100 hectares to cover the needs of the city of Bissau and other localities for market garden products. In addition to equipment and small implements, the project will provide assistance for the development of market garden farming techniques and for setting up management and marketing structures for the benefit of the women involved. With respect to training, the project will maintain close ties with the specialized institutions of the countries of the sub-region for advanced training of local organizers. Estimated cost of the project: $300,000.

...
Assistance for livestock development (GBS/87/001)

71. The project is intended to provide the Government, over the long term, with the necessary structures and human resources to develop and manage all activities connected with livestock-raising. For the present, its purpose is to restructure and strengthen government livestock services, improve veterinary services and train national cadres. The project is expected to commence at the beginning of the third quarter of 1987. Thus, it will have the benefit of the knowledge derived from the sectoral consultation on agriculture and from NaTCP before it takes final form. Estimated cost of the project: $1,000,000.

Seed multiplication and applied research (GBS/87/003)

72. Project GBS/81/009, which covered the entire preceding cycle, enabled the Government, as a result of the work of the Caborxanque and Contuboele centres, to have on hand a security stock in selected rice seeds. It will provide for a three-month extension in 1987 ($58,000) while awaiting the take-off of the present project (GBS/87/003), which will be designed to consolidate the previous project and to achieve other objectives such as the establishment of an applied research structure and a national body for the management and development of seed activities. The project will last for three years beginning in 1987 and will have five international experts, consultants, agricultural equipment and works and a substantial training component. Estimated cost of the project: $1,800,000.

Linkages

73. The rural sector, because of its fundamental importance to Guinea-Bissau's economy, the scope of its needs and the number of projects for which funding has been pledged by various sources of co-operation, requires more than any other that efforts be made to co-ordinate assistance in order to avoid the negative consequences of overlapping and duplication. Sectoral consultations on agriculture and fisheries which will be organized by the Government with the assistance of UNDP, FAO and the World Bank will focus on that task. Meanwhile, it should be noted that a World Bank support programme for the agricultural sector will shortly complement the UNDP activities provided for in the 1987-1991 programme. This programme, amounting to about $20 million, will include: (a) a sub-programme of agricultural incentives, including a policy of increased prices for agricultural producers, liberalization of agricultural trade and evaluation and monitoring of investments in this sector in order to increase their effectiveness; (b) a support sub-programme for agricultural services with institutional backing from the Ministry of Rural Development and specific activities. FAO, in addition to acting as executing agency for UNDP, will finance its operations with its own funds or funds from bilateral donors (in particular, Kuwait, the Netherlands and Denmark) in the areas of rice growing, production and use of fertilizers, land reclamation, animal health, small livestock and fruit production.

74. In addition, EEC is expected to devote more than 80 per cent of the resources of the Lomé III Convention to the agricultural sector. They will be used to reduce the country's dependence on food from abroad by reducing imports and increasing exports while promoting increased production of food for local consumption (rice
and other grains) and stimulating the production of traditional exports (palm-kernel, cashew nuts, peanuts, etc.) which generate foreign exchange. EEC will also strengthen its activities encouraging small-scale fishing, (Cacheu fishing centre) and providing training and refresher courses for local technicians and cadres in the rural sector. Complementary activities may be conducted in the context of the projects of the regional programme for Africa in the following areas: (a) agricultural research, particularly irrigated and rain-fed rice and other food crops; (b) protection of plant life; (c) training in livestock development; (d) strengthening of institutional capacities for the management and development of fisheries resources; (e) development, exploitation and conservation of forestry resources.

4. Development of human resources

75. The Government's difficulties with regard to human resources are fairly extensive and complex. It is a recognized fact that despite heavy investment in education and training since independence, the educational and vocational training system remains unsuited to conditions in the country. In spite of massive and sustained technical assistance, the management of the economy is largely in the hands of expatriate personnel, and the skills and distribution of the country's manpower are not adequate to the Government's development priorities. Having acknowledged this reality, the Government has included the development of human resources among its top priorities. UNDP is accordingly being asked to help in planning and establishing an educational system appropriate for the country, to take part in retraining or training an underqualified local labour force and to train national managerial staff who will take charge of development and serve the Government as an instrument for applying its national vocational training policy. Fourteen per cent of the resources of the third programme will be allocated to this sector.

Ongoing projects

Assistance to national education (GBS/82/004)

76. This project was started in 1982 as a continuation of project GBS/79/001 which helped ease the educational crisis in Guinea-Bissau immediately after independence and, employing some 30 volunteers from the United Nations Volunteers (UNV), it assists the Government particularly with secondary school education by training teacher trainers and planning curricula. The project should have ended at the close of the 1986 school year, and part of its activities were to have been transferred to the project Assistance to the National Institute for the Development of Education. For administrative reasons, it was extended for nine months in 1987 to allow the United Nations volunteers to complete the school year and also to cover the costs of completing construction of the rental housing reserved for the volunteers. Estimated cost of the project: $135,000.
Redeployment unit for workers laid off by the Administration and by public enterprises (GBS/86/003)

77. As one of the steps taken in conjunction with the structural adjustment programme, there will be a reduction in the number of persons employed in the public sector. In all, more than 4,000 workers - most of whom have no special qualifications - should be laid off between 1987 and 1988. The aim of this project is to set up a unit to help certain categories of persons laid off by retraining them for gainful employment (such as the setting up of small agro-industrial or commercial businesses). To provide the prerequisite training for the redeployment, the project will rely essentially on the facilities of the Technical Institute for Vocational Training. Institutional support will be provided as a result of project GBS/86/006, which is assisting the Department of Industry in developing and managing small-scale industries. To finance the redeployment, the project will draw on redeployment funds that it will have helped to establish as well as on bilateral or multilateral sources. The project was approved towards the end of 1986 but will actually begin only in January 1987 for a two-year period. It will comprise a project chief co-ordinator, two United Nations volunteers and several consultants. Study trips will be organized for local managerial staff. Estimated cost of the project: $305,000.

Assistant to the National Institute for the Development of Education (GBS/86/004)

78. The project started in February 1986 with preparatory assistance through May 1987, by which time the project document will have been drawn up. This project, which will last for three years, should eventually provide the Government with an Institute capable of directing the national educational system. In the immediate future, the purpose of project activities is: (a) to prepare basic documents on education and on strategies for developing the education sector; to make recommendations for educational reform; to assist the Government in making an economic and financial analysis of the sector; (b) to work out the elements of education policy; (c) to devise appropriate curricula and teaching methods; and (d) to provide self-sustaining and continuous teacher training. The aim will also be to co-ordinate contributions to the education sector from external sources. The project will comprise three international experts, several consultants and a sizeable training component. Estimated cost of the project: $1,100,000.

New projects

Assistance to the Government for fellowships and participation in international conferences and seminars (GBS/87/005)

79. This project is a continuation of project GBS/81/013 and, like the latter, is intended to finance short-term fellowships for senior local personnel and to make it easier for Guinea-Bissau to send representatives to particularly important international meetings, conferences and seminars. Estimated cost of the project: $80,000.
Technical Institute for Vocational Training (GBS/87/009)

80. Ten years after it began assisting the Technical Institute for Vocational Training, UNDP, with the technical support of the International Labour Office and co-operation from other donors, has helped make this organization a unique instrument for carrying out the country's vocational training policy, even though it is not quite ready to operate autonomously. Consequently, the Government has requested UNDP to extend its assistance for two more years in order to consolidate the Institute's pedagogical, technical and administrative organization. This extension, however, which continues project GBS/82/003, must be designed and formulated so as to give the project all the flexibility it needs to help the Institute respond rapidly to the economy's need for liberalization and privatization and to the requirements of the redeployment unit and the study currently being conducted by EEC on the tailoring of training to employment. For 1987-1988, the project would comprise a project chief co-ordinator, a training expert in electricity (one year), a training expert in refrigeration (one year), two United Nations volunteers, consultants (several months) and additional teaching material. Estimated cost of the project: $500,000.

Assistance to the special public works programme (GBS/87/010)

81. Under its programmes for economic and financial stabilization and structural adjustment, the Government is compelled to lay off a certain proportion of the personnel in the State sector. It is planning measures to soften the impact of this operation on the population. The special public works programme is one of these measures. It is intended to retrain and employ about 1,000 workers laid off from the public administration to work in construction and building agricultural infrastructures. The programme will be in three phases: a test phase, a pilot phase and an operational phase. The test phase is now in progress with financing from UNDP global and interregional project funds. During the remainder of the programme, UNDP will bear the cost of technical assistance and part of the cost of basic equipment. Most of the plant and equipment needed for the work will be furnished by other co-operation sources. The World Food Programme (WFP) will provide food rations for the workers. Estimated cost of the project: $600,000.

Linkages

82. In Guinea-Bissau, the education and training sector was one of the first to receive external assistance. In fact, during the struggle for national independence, some countries were already providing such assistance. But owing to the absence of a well-defined national policy and lack of co-ordination, that assistance did not prove to be as effective as desired. The Government would like project GBS/86/004 to serve as an instrument for making assistance in this sector coherent and co-ordinated. Thus Sweden, one of the major contributors of funds for education, will continue its assistance, specifically by providing teaching materials. The Soviet Union, Portugal and Cuba, through the United Nations Volunteers, will continue to make up for the shortage of national teachers in primary and secondary schools. Those schools will also benefit from the food aid provided by WFP under its assistance programme to schools and training institutes, reaching close to 6,000 pupils. The African Development Bank (ADB) will help in...
the construction of the basic infrastructures of the National Institute for the Development of Education. The World Bank, for its part, is preparing a programme of support to education which would complement the assistance already committed. This programme would have three subject areas: (a) improving and developing basic education; (b) adapting training to the requirements of the country's socio-economic development; and (c) assessing and monitoring the programme. It will be drawn up and carried out in close correlation with the joint UNDP/United Nations Educational, Scientific and Cultural Organization (UNESCO) project for assistance to the Institute, which is in fact now being formulated in consultation with the World Bank.

83. To sum up, all these activities to further the development of human resources will most certainly be strengthened and complemented by other activities that will emerge from consultations on human resources and technical assistance, once the Government, in the light of NaTCAF findings and the EEC study on tailoring training to employment, has a clear idea of its overall needs and has refined the strategy to be followed in meeting them. The regional programme for Africa will include complementary activities relating to: (a) training in several fields that are of major importance for the economic and social development of Africa; (b) health (training and research related to the expanded immunization programme, comprehensive research programme on tropical diseases and the Onchocerciasis Control Programme; and (c) the cultural and social dimensions of development.

Other activities

84. Outside of these four sectors on which it will concentrate, UNDP will work in the transport and energy field to round out activities initiated during the previous cycle or to consolidate certain results. Eight per cent of programme funds will be allocated to these activities. The ongoing projects listed below will be continued.

Ongoing projects

Development of technical and operational services in civil aviation (phase II) (GBS/82/002)

85. In March 1982, this project is a continuation of the Development of the civil aviation services project (GBS/76/010), and is designed to ensure the regular operation of Bissau International Airport, particularly through maintenance of equipment, furnishing of spare parts and on-the-job training. It will be extended for a year to consolidate the results achieved in operating the Bissau airport and primarily to establish the groundwork for its autonomous management. This extended project will call for a chief technical adviser, a maintenance expert specializing in aircraft navigation equipment, consultants to study the airport's management unit and training scholarships. Estimated cost of the project: $275,000.
Technical assistance to the energy sector in Guinea-Bissau (GBS/86/002)

86. This project started in March 1986 and will continue until September 1988. It is meant to provide the technical assistance needed to restore units 5 and 6 of the Bissau power plant to working order. The spare parts needed for the purpose have been purchased under a project financed from emergency funds (GBS/85/UOI). Part of the technical assistance to the power plant is financed by WHO/WFP. The energy sector of the city of Bissau will receive some supplementary assistance from the World Bank, the Federal Republic of Germany, the Soviet Union and France. Estimated cost of the project: $375,000.

87. Activities complementing the regional programme for Africa could be considered in the following fields: (a) the development of the Senegal River Basin (Organization for the Development of the Senegal River); (b) rationalization of energy policies and of activities to produce, use and conserve energy; and (c) transport and communications (continuing support to the programme for the Transport and Communications Decade in Africa).

C. Unprogrammed reserve

88. An unprogrammed reserve of $1,973,000 is being set aside out of programme funds to meet unforeseeable emergency situations which might arise because of the vulnerability of Guinea-Bissau's economy. The reserve may also be used to support or complement action undertaken to achieve the objectives in the four priority sectors of the programme. Reference is being made particularly to any priority needs which might be put forward by the Government during the round-table talks and especially the related sectoral consultations held throughout the programming cycle. This reserve, which makes it possible to reinforce an ongoing activity or initiate a complementary activity, is an essential factor in the flexibility of the programme and allows for the practical application of the principle of continuous programming.
## Annex

### FINANCIAL SUMMARY

### I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

#### A. UNDP-administered sources

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<tr>
<th>Description</th>
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<tr>
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<td><strong>Subtotal IPF</strong></td>
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<td>Special programme resources</td>
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<td>Government cost-sharing</td>
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<td>Third-party cost-sharing</td>
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<td>Operational funds under the authority of the Administrator:</td>
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<td>- UNCDF</td>
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<td>- UNIFEM</td>
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<td>UNDP special trust funds</td>
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<td><strong>Subtotal, UNDP non-IPF funds</strong></td>
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#### B. Other sources

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<td>Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise:</td>
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<td>- UNICEF</td>
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<td>Parallel financing from non-United Nations sources</td>
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<td><strong>Subtotal, other sources</strong></td>
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**TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING**

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### II. USE OF RESOURCES

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