PD-AAR-757

UNCLASSIFIED

AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ANNUAL BUDGET SUBMISSION

FY 83

GUINEA

BEST AVAILABLE

JUNE 1981

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523

UNCLASSIFIED

G U I N E A

FY 1983 ANNUAL BUDGET SUBMISSION

		Page
1.	Table 1 - Long Range Plan and Narrative	2
2.	Table III - Project Obligations by Appropriation Account: FY 1981-1983	3
	Table III A - Obligations for AIPs and PDS: FY 1981-1983	5
3.	Table IV - Project Budget Data	6
4.	New Project Narratives	7
5.	Table V - Proposed Program Ranking	11
6.	Proposed Program Ranking Narrative	12
7.	Workforce and Operating Expenses	13
	A. Table VIII - Operating Expense Summary	14
	B. Overseas Workforce Requirements Schedule	16
8.	P.L. 480	
	A. PL 480 Narrative	17
	B. Table - P.L. 480 Title I/III Requirements	

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT ($ Thousands)

Country/Office Guinea

DEVELOPMENT ASSISTANCE	FY 1981 EST.	FY 1982 EST.	FY 1983 REQUEST MIN	FY 1983 REQUEST CURR	FY 1983 REQUEST AAPL	PLANNING PERIOD 1984	PLANNING PERIOD 1985	PLANNING PERIOD 1986	PLANNING PERIOD 1987
Agriculture, Rural Development & Nutrition									
Grants	2,800	2,425	1,500	1,930	2,000	3,000	2,400	2,700	5,000
Loans									
Population									
Grants				100	100		150	300	
Loans									
(of which centrally procured commodities)				(50)	(50)		(100)	(250)	
Health									
Grants		355	500	500	600		650	1,000	
Loans									
Education									
Grants									
Loans									
Selected Dev. Activities									
Grants									
Loans									
SUBTOTAL FUNC. ACCOUNTS									
Grants	2,800	2,780	2,000	2,530	2,700	3,000	3,200	4,000	5,000
Loans									
Other DA ACCTS. (Specify)									
Grants									
Loans									
TOTAL DA ACCTS.									
Grants	2,800	2,780	2,000	2,530	2,700	3,000	3,200	4,000	5,000
Loans									
Economic Support Fund									
Grants									
Loans									
TOTAL DA AND ESF	2,800	2,780	2,000	2,530	2,700	3,000	3,200	4,000	5,000
PL 480 (non-add)									
Title I	7,000	7,000	7,000	7,000	8,000	9,000	10,000	10,500	11,000
(of which Title III)									
Title II									
Housing Guaranties (non-add)									
TOTAL PERSONNEL									
USDH (workyears)	1.8	2.5	3	3	3	3	3	3	3
FNDH (workyears)	2.0	2.5	3	3	3	4	4	4	4
PT (workyears)	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1981 to FY 1983
($ thousands)

Country/Office Guinea

APPROPRIATION ACCOUNT	FY 1981	FY 1982	FISCAL YEAR 1983		
			MINIMUM	CURRENT	AAPL
Agriculture, Rural Development and Nutrition					
6750201 - Ag Production Capacity & Training (G)	2,800	1,102	—	—	—
6750204 - Ag Research, Training & Extension (G)	—	1,323	1,500	1,930	2,000
Population					
6750206 - Mother-Child Health & Family Plg. (G)	-	-	-	100	100
Health					
6750205 - Integrated Eye Health (PVO) (G)	—	355	-	-	-
6750206 - Mother-Child Health & Family Plg. (G)	—	-	500	500	600
Education					
Selected Development Activities					
SUBTOTAL-FUNCTIONAL ACCOUNTS	2,800	2,780	2,000	2,530	2,700
Other Programs					
TOTAL-ALL DA APPROPRIATION ACCOUNTS	2,800	2,780	2,000	2,530	2,700
Economic Support Fund	—	-	-	-	-
TOTAL ESF	—	-	-	-	-
TOTAL-DA AND ESF	2,800	2,780	2,000	2,530	2,700

Attachment to Table III

Note on Design Efforts for New FY 82 Projects

The PID for the new Ag Research Training and Extension project--follow-on to the current Ag Production Capacity and Training project--is being prepared by a REDSO/WA team during June and July 1981. A collaborative assistance arrangement with a BIFAD institution is being considered for final design and implementation.

The Integrated Eye Health proposal was received on April 29, 1981 (see State 116704).

TABDE III A - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1981 to FY 1983
($ thousands)

Country/Office Guinea

APPROPRIATION ACCOUNT	FY 1981	FY 1982	FISCAL YEAR 1983 MINIMUM	FISCAL YEAR 1983 CURRENT	FISCAL YEAR 1983 AAPL
Agriculture, Rural Development and Nutrition					
Irrigated Gardening (G)	-	AIP 500	PDS 30	PDS 30	PDS 30
Community Forestry (G)	AIP 460	-	PDS 30	PDS 30	PDS 30
Population					
Health					
Mother-Child Health & Family Planning (G)	-	PDS 30	-	-	-
Education					
Selected Development Activities					
Energy/Appropriate Technology (G)	-	AIP 300	-	-	-
SUBTOTAL-FUNCTIONAL ACCOUNTS	AIP 460	AIP 800 PDS 30	- PDS 60	- PDS 60	- PDS 60
Other Programs					
TOTAL-ALL DA APPROPRIATION ACCOUNTS	AIP 460 -	AIP 800 PDS 30	- PDS 60	- PDS 60	- PDS 60
Economic Support Fund					
TOTAL ESF	-	-	-	-	-
TOTAL DA AND ESF	AIP 460	AIP 800 PDS 30	PDS 60	PDS 60	PDS 60

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

Country/Office: Guinea

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	LIFE OF PROJECT COST AUTH	LIFE OF PROJECT COST PLAN	ESTIMATED U.S. DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/80	FY 1981 OBL	FY 1981 EXP	FY 1982 OBL	FY 1982 EXP	FY OBLIGATIONS 1983 AAPL	1984	1985	1986	1987	FUTURE YEAR	ITEM #
Agriculture,	Rural Dev. & Nutrition																	
6750201	Ag Production Capacity & Train.	G	76	82	14400	14400	7026	2800	7400	1102	2928	—	—	—	—	—	—	
6750203	Irrigated Gardening	G	84	88	—	3500	—	—	—	—	—	—	750	—	950	1537	763	
6750204	Ag Research, Training & Extens.	G	82	87	—	10000	—	—	—	1323	300	2000	1500	1500	1750	1927	—	
6750207	Community Forestry	G	84	88	—	3500	—	—	—	—	—	—	750	900	—	1536	814	
Appropriation	Total				14400	31400	7026	2800	7400	2425	3228	2000	3000	2400	2700	5000	1577	
	Grant				14400	31400	7026	2800	7400	2425	3228	2000	3000	2400	2700	5000	1577	
	Loan																	
Population																		
6750206	Mother-Child Health & Family Planning	G	83	88	—	850	—	—	—	—	—	100	—	150	300	—	300	
Appropriation	Total				—	850	—	—	—	—	—	100	—	150	300	—	300	
	Grant				—	850	—	—	—	—	—	100	—	150	300	—	300	
	Loan				—	—												
Health																		
6750205	Integrated Eye Health (PVO)	G	82	82	—	355	—	—	—	355	200	—	—	—	—	—	—	
6750206	Mother-Child Health & Family Planning	G	83	88	—	2650	—	—	—	—	—	600	—	650	1000	—	400	
Appropriation	Total				—	3005	—	—	—	355	200	600	—	650	1000	—	400	
	Grant				—	3005	—	—	—	355	200	600	—	650	1000	—	400	
	Loan				—	—	—	—	—	—	—	—	—	—	—			
Country	Total				14400	35255	7026	2800	7400	2780	3428	2700	3000	3200	4000	5000	2277	
	Grant				14400	35255	7026	2800	7400	2780	3428	2700	3000	3200	4000	5000	2277	
	Loan																	

AID 1330 8 (4-81)

Guinea - New Project Narrative

Project 675-0201 - Agricultural Research, Training and Extension

Proposed Funding ARDN Account ($000): FY 82 - 1,323
FY 83 - 2,000

Project Purpose: To increase food production through the integrated development of agricultural research, education and extension.

Project Description: This project builds upon the constructed facilities, equipment and training provided under the current Agricultural Production Capacity and Training (Guinea Ag) Project. Because of the technical assistance, much of the equipment and some of the training planned under the Guinea Ag project must be financed by the follow-on project.

The new project goes beyond its predecessor both in conception and long-term commitment. The Guinea Ag project contemplated two to three years of technical assistance to be rendered at the facilities now under construction, namely, a research laboratory building at the National Agriculture Research Institute at Foulaya, classroom and related buildings at the Faranah Agricultural Training Institute, a college training farm at Faranah, and a demonstration farm and research station at Tindo, located on the Niger River near Faranah. It is now recognized that two or three years of technical assistance would represent only a beginning for a task that could easily take ten years. There are several reasons for the long-term requirement: Agricultural research and training courses need to be significantly upgraded and expanded to enable them to make a positive impact on agricultural production. An extension system needs to be created virtually from the ground up, contrary to the assumption of Guinea Ag project designers that such a system was functioning. Basic information must be collected on agricultural methods, yields, labor productivity, production costs, producer prices, production intencives and consumption at the family farm level. This information must be fed to the research and training institutes and to pilicy-makers in ordre that they may direct their efforts toward meeting the actual needs of farmers. At present, the information flow is largely from the top down, and government agricultural policy and investment are for the most part directed at collective and cooperative farms rather than at small farmers. It is the GOG's hope, thus far unrealized, that smallholders will be weaned away from their traditional plots and join the government-sponsored farming operations.

..../2

Outputs: In developing an integrated program to deal with the above problems, the project will focus on two target groups: researchers, faculty and students at the Foulaya and Faranah/ Tindo complexes, and farmers in the surrounding areas, particularly those in proximity to the Tindo farm and research station. A pilot extension system will be created in the Tindo area. Seminars, lectures and demonstrations will be offered at Tindo. Links will be established with international research institutions. Research will be carried out on major subsistence crops such as maize, rice, peanuts and root-crops, and on potentially important crops such as soybeans, sorghum and vegetables. Research topics will include varietal improvement, sequential cropping patterns, integrated pest management systems, soil/type fertilizer response, development of fertilizer recommendations and water management. Agronomists and livestock specialists will undertake cooperative livestock research efforts in herd and breed development, animal health, pasture development and management.

Inputs: In FY 82, it is proposed to finance five person-years of technical assistance ($650,000), participant training ($150,000) and farm and lab equipment and supplies ($523,000). Over the six-year life of the project, technical assistance may reach a level of $6,000,000 and 40-50 person-years; participant training, $1,000,000; and equipment and supplies, $3,000,000. These figures are preliminary, there being no PID or PP at this time.

Issues: The major issue to be addressed by the PID team is how to ensure, in the face of the GOG's emphasis on socialist forms of agricultural organization, that the project will benefit the small fermer upon whom the progress of Guinean agriculture largely depends. The success of other donors in specifying small-farmer participation in their projects indicates that this issue is resolvable.

Host Country Entities: This project will be carried out in conjunction with the Ministry of Higher Education and Scientific Research and the Ministry of Agriculture.

Guinea - New Project Narrative

Project 675-0206 - Mother-Child Health and Family Planing

Proposed Funding ($000):	Health Account	Population Account
FY 83	600	100

Project Purpose: To reduce morbidity and mortality and improve health status among children aged 0-7 years and women of child-bearing age through primary health care services and assistance in birth spacing.

Project Description: This project is based on the pilot accelerated impact project for mother-child health financed in FY 80 and launched in FY 81. The AIP forms part of a package of pilot projects centered in Middle Guinea and planned for expansion into full-scale projects covering a large part of the region during the planning period. The projects aim at increasing productivity through improvements in family health, in soil retention and fertility (community forestry), and in irrigated vegetable production (aimed both at production and nutrition). The latter two projects will be supported by the Ag research, training and extension project, thus forming a strategic whole.

Maternal and child health is an important if not the fundamental component of comprehensive health care and family health. The importance of the group "mothers and children" is clear: The estimated 1,080,000 woemn and child-bearing age in Guinea and 1,230,000 children aged 0-7 years represent 42.8 per cent of the population of approximately 5.4 million. The annual population growth rate for Guinea is 2.9 per cent. The infant mortality rate is 156/1000. Frequently found problems among young children are undernutrition, measles, malaria and other parasites, gastro-intestinal disorders and respiratory infections, most of which are preventable. Anemia is widespread among children and mothers. Women of child-bearing age are almost constantly in a state of nutritional stress from closely spaced pregnancies, prolonged lactation and heavy physical labor; this in turn affects the health of their babies.

The GOG has underway substantial efforts to train professional and paramedical staff and has made a good start in assigning medical and paramedical personnel to rural areas and secondary cities. The country has 47 hospitals of various categories and thousands of rural health posts. However, many of the personnel are inadequately trained, particularly in preventive health care, and the facilities are frequently housed in run-down structures and poorly equipped. The system for distribution of medicines to

..../2

rural areas through "cold chains" needs improvement. Health education needs strengthening. Family planning services are almost non-existent, although the GOG -- despite a pro-natalist policy -- has expressed interest in birth spacing for health reasons.

Outputs: The project will address these problems in Middle Guinea by (1) providing continuing education for various levels of MCH workers including those at rural health posts and traditional birth attendants; (2) planning, implementing and evaluating community health/nutrition education programs; (3) developing a baseline data collection system; (4) helping implement the Expanded Program of Immunization (EPI); and (5) promoting birth spacing as an integral part of mother-child and family health. The project will be carried out through the Maternal-Child Health Service of the Ministry of Social Affairs.

Inputs: In FY 83, it is proposed to finance two technicians for up to two years each ($400,000), vehicles, audio-visual and health equipment and supplies ($175,000), training in MCH and family planning delivery systems ($75,000), and contraceptives (subject to determination of acceptability to the GOG - $50,000). Life-of-project inputs will include an estimated 12 person-years of technical assistance ($1.4 - $1.5 million), training ($300,000), health equipment and supplies ($850,000) and family planning services and commodities ($850,000).

Issues: Based on initial experience with the pilot project, there are no issues apparent at this time. A question, however, remains as to how rapidly the GOG is prepared to move in introducing family planning services, including contraceptives.

A clearer picture of its readiness will emerge once the pilot project technician embarks on efforts in this field.

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1983 PROPOSED PROGRAM RANKING					Country/Office Guinea					
RANK	DECISION PACKAGES/PROGRAM ACTIVITY	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000)		WORKFORCE (Number of Workmonths)			
							USDH		FNDH a/	
	DESCRIPTION				INCR	CUM	INCR	CUM	INCR	CUM
	DECISION PACKAGE MINIMUM									
	Pipeline Projects					(950) b/	24	24	36	36
	New and Continuing Projects									
1	675-0204 Ag Research, Training & Extension	O	G	FN	1,500	1,500				
2	PL 480 Title I				(7,000)					
3	675-0206 Mother-Child Health & Family Plg.	N	G	HE	500	2,000				
4	Basic Workforce					2,000	12	36 c/	--	36 c/
	Total Minimum Package and Related Workforce				2,000		36		36	
	DECISION PACKAGE CURRENT									
5	675-0204 Ag Research, Training & Extension	O	G	FN	430	2,430				
6	675-0206 Mother-Child Health & Family Plg.	N	G	PP	100	2,530				
7	Workforce Increment Current Package				--	2,530	--	36	--	36
	Total Current Package and Related Workforce				530		--		--	
	DECISION PACKAGE AAPL									
8	675-0204 Ag Research, Training & Extension	O	G	FN	70	2,600	--		--	
9	PL 480 Title I				(1,000)					
10	675-0206 Mother-Child Health & Family Plg.	N	G	HE	100	2,700	--		--	
	Workforce Increment AAPL Package				--	2,700	--	36	--	36
	Total AAPL Package and Related Workforce				170		--		--	

a/ FNDH column excludes 7 months part-time employement.

b/ Includes 600 for project 675-0201; 300 for AIPs.

c/ Personnel Planning Level is 36 workmonths.

AID 1330-9 (4-81)

Guinea - Proposed Program Ranking Narrative

Given the modest level of the AAPL, the differences between the minimum, current and AAPL packages are of necessity small. While the minimum level would permit continuation of the program, the agency's desire for maximum forward funding would dictate programming at the AAPL.

First ranking is given to the key project in the mission's strategy to expand agricultural production. The P.L. 480 Title I program, as explained in the Title I narrative, plays an essential supportive role. The minimum and current amounts for Title I, equal to the 1981 and 1982 levels, would represent a net reduction both in real terms because of inflation, and in per capita terms because of population growth. The AAPL would allow maintenance of real value and mean less of a reduction in per capita value.

The one other project shown, Mother-Child Health and Family Planning, is a follow-on to the Mother-Child Health AIP funded in FY 80 and launched in FY 81. This effort will support the AID strategy by improving rural health and hence productivity, and by introducing family planning as a component of family and community well-being. Funds for the family planning component are added in the current package; the AAPL package allows for additional forward funding of the mother-child health element.

The workforce remains steady once one goes beyond staffing for pipeline projects and design requirements.

Country/Office Guinea

TABLE VIII

COST SUMMARIES	FY 1983 ($000's)	FY 1983 Related Workyear	FY 1983 Unit Cost	FY 1983 (000's)	FY 1983 Related Workyear	FY 1983 Unit Cost	FY 1983 ($000's)	FY 1983 Related Workyear	FY 1983 Unit Cost
US Direct Hire	240.8	3.0	80.3	240.8	3.0	80.3	240.8	3.0	80.3
FN Direct Hire	41.0	3.0 0.7 PT	11.1	41.0	3.0 0.7 PT	11.1	41.0	3.0 0.7	11.1
US Contract Pers.	-			-			-		
FN Contract Pers.	-			-			-		
Housing Expense	44.5	1.0	44.5	44.5	1.0	44.5	44.5	1.0	44.5
Office Operations	94.6	xx	xx	94.6	xx	xx	94.6	xx	xx
Total Budget	420.9	xx	xx	420.9	xx	xx	420.9	xx	xx
Mission Allotment	265.9	xx	xx	265.9	xx	xx	265.9	xx	xx
FAAS	25.0	xx	xx	25.0	xx	xx	25.0	xx	xx
Trust Fund	-	xx	xx	-	xx	xx	-	xx	xx

Country/Office Guinea

TABLE VIII

OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 1980			FY 1981			FY 1982		
	($000's)	Related Workyear	Unit Cost	($000's)	Related Workyear	Unit Cost	($000's)	Related Workyear	Unit Cost
US Direct Hire	140.0	2.0 0.4 PT	58.3	129.2	1.8 0.2 PT	64.6	204.1	2.5	81.6
FN Direct Hire	8.8	1.4	6.3	23.2	2.0 0.4 PT	9.7	35.8	2.5 0.6 PT	11.5
US Contract Pers.	-	-		42.0	1.0	42.0	-		
FN Contract Pers.	-	-		-			-		
Housing Expense	88.5	2.8	31.6	36.9	1.0	36.9	178.5	6.0	29.8
Office Operations	80.1	xx	xx	65.4	xx	xx	68.8	xx	xx
Total Budget	317.4	xxx	xxx	296.7	xx	xx	487.2	xx	xx
Mission Allotment	217.1	xxx	xxx	211.4	xx	xx	384.2	xx	xx
FAAS	39.7	xxx	xxx	29.0	xx	xx	21.0	xx	xx
Trust Fund	-	xxx	xxx	-	xx	xx	-	xx	xx

Guinea

Table VIII - Comments on Operating Expense Funding Trends

- The increase in US and FN direct hire personnel costs after FY 81 reflects a gradual increase in staff up to the planning level, and an increase in education allowance and travel requirements.

- Housing costs rise sharply in FY 82 because of the need to rent two houses on an advance rental basis (5 residence years) as well as continued rental of a third house. The amount could be significantly reduced if Sec. 636 C funds were made available for purchase of housing. The variations in residence year costs are due to variations in rental and non-rental costs from year to year. For example, the unit cost in FY 83 includes only one rental but utilities and expenses for three houses.

- The increase in office operations cost in FY 83 is due largely to the requirement for a replacement vehicle.

- The decrease in FAAS in FY 82 is due to a recalculation of percentages.

AGENCY FOR INTERNATIONAL DEVELOPMENT
OVERSEAS WORKFORCE REQUIREMENTS
IN WORKMONTHS

BUREAU: BUREAU FOR AFRICA

04/15/81

DECISION UNIT: GUINEA

ITEM	US/ FN	FUNC TION	SKILL	POSITION NUMBER AND TITLE	LEVEL	PERS CAT	WORK SHC	FY 81	FY 82	FY 1983 AT MIN	FY 1983 AT CURR	FY 1983 AT AAPL	FY 1983 ABOVE PLAN LEVEL	FY 84	FY 85
231	U	10	011	50005 AID AFFAIRS OFFICER	M	-	40	12	12	12	12	12	-	12	12
245	U	10	050	50010 SECRETARY	E	-	28	3							
1844	F	10	07	STAFF ASSISTANTS		-	40	12	12	12	12	12	-	12	12
	F	10	050	Secretary	N	-	28	8	12	12	12	12	-	12	12
277	U	34	103	50020 PROJECT MANAGER - AGRICULTURE	M	-	40	12	12	12	12	12	-	12	12
	U	40	092	Asst. Project Manager	E	-	40	-	6	12	12	12	-	12	12
	F	40	07	Project Assistant	N	-	40	-	6	12	12	12	-	12	12
1845	F	60	990	DRIVER		-	40	12	12	12	12	12	-	12	12
				TOTAL FOR DECUNIT				60	60	60	60	60		60	60

P.L. 480 Title I Narrative

At present Guinea does not produce enough food to feed its growing population, particularly the urban sector. Hence the GOG must import large quantities of food. Approximately two-thirds of these imports are obtained on commercial terms, the remainder on grant or concessionary terms, including P.L. 480 Title I rice, wheat flour and vegetable oil. Guinea's current rice imports total about 60,000 tons per year, of which Title I furnishes 10,500 tons. A sudden reduction in concessionary food aid would be a severe blow to a country whose hard currency earnings--obtained almost entirely from two bauxite mining ventures--are increasingly absorbed by petroleum imports and debt service.

Guinea's food deficit is related both to natural and man-made factors. There was drought and insect damage in both 1979 and 1980, causing substantial crop losses. Poor land management practices by smallholders has caused erosion and lowered water tables. Deforestation to bring new land into production and furnish charcoal for household needs is another factor in lowered yields. Smallholders, who constitue over 80 percent of the population, have benefited little from GOG investment in agriculture which has been devoted largely to collective and cooperative efforts. Agricultural research and extension, areas in which AID is increasingly active, are very inadequate. Because of these factors as well as the economic ones noted below, smallholders produce little beyond their subsistence needs and the amounts they can sell on the parallel market.

Major economic factors limiting food production are low official prices to both farmer and consumer, a lack of farm credit, and a shortage of producer and consumer goods on the official market. The higher-cost parallel market fills part but by no means all of the gap in provision of food and other goods. There is growing recognition of the need for price and salary adjustments, but the complexity of the economics and the processes involved dictate careful, sensitive planning and management. As a first step, President Toure recently announced a 50 percent increase in the official producer price of meat (still below the parallel market price), and elimination of the quota on grain and meat sales to the government at official prices. Previously, the quota on grain deliveries had been 103 kg. per able-bodied person per year. The World Bank is currently assisting the GOG in examining the questions of price incentives and needed economic reforms.

The AID strategy is to help Guinea in a long-term effort to increase food production through institutional and technical development aimed particularly at smallholders, while at the same time helping the country provide an adequate level of food imports for its growing population. The Title I program plays a key role in both elements of the strategy: the commodities reduce the urban food deficit and help maintain market stability while the sales proceeds are applied to self-help rural and agricultural development projects. The projects include those assisted by AID, such as the current Ag Production Capacity and Training project and the planned Community Forestry and Irrigated Gardening projects, as well as those assisted by other donors or mounted by the GOG on its own, such as irrigated perimeter development. The mission is actively helping the GOG identify projects for investment of counterpart funds, and the pace of allotments has increased substantially over the last year. As a result of the Title I negotiations this year, GOG performance also has improved in payment of arrearages: a substantial downpayment was made, and large monthly payments have been pledged.

The GOG recognizes the need to increase agricultural production and reduce the foreign exchange drain caused by food imports. During the recent Title I negotiations, the Ambassador reinforced this theme by noting that the Title I program must gradually diminish while efforts are pressed to help small farmers, the key producers, increase their output. An adequate internal food supply will not be achieved quickly, however, and early phase-out of Title I would deprive AID of important tools, described above, for pursuing its strategy. The mission therefore proposes over the planning period to maintain the basic Title I program at current levels in real terms. This will mean an increase in dollar value to cover inflation but a reduction in commodity volume per capita because of population growth. As a positive spur to agricultural development, the mission proposes, beginning in 1983 or 1984 when a number of agricultural projects of AID and other donors should be well advanced, to add from one-half to two million dollars per year to the basic Title I program as an offset for Guinean purchase of agricultural inputs. The GOG would purchase the inputs with foreign exchange which otherwise would be spent on commercial food imports. This proposal is discussed in the Guinea Small Program Strategy Statement of January 1981; it will need careful exploration to determine its feasibility.

There are no perceived problems with storage and distribution of Title I commodities in Guinea. The GOG has adequate warehousing at the port of Conakry and a well-developed distribution system to urban areas, the key Title I target zone.

The program does not appear to provide any disincentive to small-farm production, given the fact that the urban food deficit, which farmers are not filling for the reasons cited, far exceeds Title I levels. The program would, however, serve as a disincentive to the GOG's agricultural efforts were it not related to specific programs to increase production at the small-farm level.

Country/Office Guinea

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE IX

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1981 Agreement $	FY 1981 Agreement MT	FY 1981 Shipments $	FY 1981 Shipments MT	FY 1981 Carry into FY 1982 $	FY 1981 Carry into FY 1982 MT	Estimated FY 1982 Agreement $	Estimated FY 1982 Agreement MT	Estimated FY 1982 Shipments $	Estimated FY 1982 Shipments MT	Estimated FY 1982 Carry into FY 1983 $	Estimated FY 1982 Carry into FY 1983 MT	Projected FY 1983 Agreement $	Projected FY 1983 Agreement MT	Projected FY 1983 Shipments $	Projected FY 1983 Shipments MT	Projected FY 1983 Carry into FY 1984 $	Projected FY 1983 Carry into FY 1984 MT
Title I																		
Rice	5.0	10.5	5.0	10.5			4.7	10.5	4.7	10.5			5.2	10.5	5.2	10.5		
Vegetable Oil	1.0	3.5	1.0	3.5			1.9	2.2	1.9	2.2			2.4	2.6	2.4	2.6		
Wheat Flour	1.0	1.3	1.0	1.3			.4	1.3	.4	1.3			.4	1.3	.4	1.3		
Total	7.0	15.3	7.0	15.3			7.0	14.0	7.0	14.0			8.0	14.4	8.0	14.4		
Of which Title III																		
Total																		

COMMENT: Commodities should be delivered in June before the onset of the rainy season, if possible