

UNCLASSIFIED

**Annual Budget
Submission**

FY 1985



GUINEA

JUNE 1983

Agency for International Development
Washington, D.C. 20523

BEST AVAILABLE

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- GUINEA -

FY 1985 ANNUAL BUDGET SUBMISSION

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1. Mission Action Plan: The Mission's short-range operational objectives which follow are based on the approved long-range strategic objectives contained in Guinea's Small Program Statement submitted to AID/W (See Conakry 403, 417 and 430).

Development Objective: At the present stage in its development, U.S. assistance to Guinea must focus on the food and agricultural sector. It is the sector which supports the vast majority of the population and which demonstrates impressive development potential. In keeping with agency guidances, our objectives in this sector are to stimulate broadly based, self-sustaining economic growth and to assure food security for the population. Two related sub-objectives are to increase food availability and to improve food consumption in rural and urban areas. To achieve this long-range objective, the Mission will pursue the following action plan:

A. Policy Framework:

It is generally conceded that Guinea possesses the climate and soils and farm population capable of significantly increasing food production and thus eliminating the need for concessional food assistance. While there are constraints related to primitive technology and lack of agricultural inputs, the primary cause of Guinea's stagnant agricultural production is lack of producer incentives. The GOG has only recently begun to liberalize the production and marketing of agricultural products thus modifying the command-economy approach adopted during the 60's and 70's. In the policy framework then, the Mission seeks two goals. The first is to encourage the Government to adopt free-market production and marketing policies, and the second is to facilitate the transition away from state-run farms in favor of free-market oriented cooperatives.

- To achieve the first goal, our most effective leverage is provided by the annual PL 480 Title I rice import program. However, because imported rice (including that provided under Title I) is sold at less than the cost of production of domestic rice, a serious disincentive problem presents itself. How to preserve the leverage from the PL 480 program while diminishing the disincentive effect will be the major challenge over the FY 84-85 period.

In FY 84, we propose to reduce the rice component of the PL 480 program by \$1 million and substitute cotton in its place (see PL 480 narrative). The FY 84 agreement will also contain more meaningful self-help measures aimed at encouraging greater market liberalization and continued abandonment of consumer price subsidies. An evaluation of the program will also be undertaken in FY 84. In FY 85, another \$1 million

decrease in rice offset by a \$1 million increase in cotton is planned. By FY 88, concessional rice imports should no longer be necessary. The gradual elimination of rice imports will provide the time for domestic rice production to increase. A large World Bank-financed rice project is spearheading rice production efforts. PL 480 counterpart funds will provide financial assistance in this effort.

- The conversion of state farms into cooperatives is an important GOG priority. We propose to assist in this effort by providing funds for the establishment of two pilot cooperatives under the direction and guidance of an American PVO. (See New Project Narrative on page 9).

B. Agricultural Development Activities:

To respond to the objective to increase food availability, the Mission will continue to focus its efforts on the agricultural sector. In the near term, our activities will be centered around the Guinea Agriculture II project and two satellite activities: The Community Forestry Project and the Cooperative Development OPG.

- Guinea Ag II: The Agricultural Research, Extension and Training Project (675-0204) will contribute to raising farm production and incomes of Guinea's peasant cultivators by providing them access to improved seeds, fertilizers and technical assistance. The project will utilize the facilities, equipment and trained personnel produced under the predecessor project. The PID for the project will be approved late in FY 83 and in the second quarter of FY 84, a design team will prepare the Project Paper. The eight-person implementation team will start arriving in the fall of 1984. To insure management oversight, one AID Direct Hire position will be established at the up-country project site and a separate logistics support team will be in place. Farm-level seed trials and pilot farming systems research activities will begin in FY 84 and be in full swing during FY 85. Early in the project, four PCV's will be attached to the project.

- Community Forestry: This project will be a follow-on activity to the current Forestry AIP (698-0410.35), which is designed to introduce fast-growing local and imported trees in order to provide fuelwood and forage, enhance soil fertility and help prevent erosion in the Fouta Djallon region of Upper Guinea. Late in FY 84, the current project will be evaluated, and a PID for the follow-on activity prepared. By mid-FY 85, a grant agreement will be signed and project activities will begin. Two PCV Foresters will be attached to the project, probably in FY 84. This will be the Mission's only FY 85 new-start (See New Project Narrative on page 11).

- Cooperative Development OPG: This project will be the only FY 84 new-start and will provide technical assistance and some commodity support through a PVO to modernize several ex-state farms and convert them into private sector oriented cooperatives. By the last quarter of FY 84, the OPG proposal will be approved and two of the abandoned state farms which have good soil, water and access to markets will be selected and project activities begun. During FY 85, both cooperatives will become operational.

C. Other Development Activities:

To complement activities in agriculture and to respond to other Agency priorities, activities in appropriate technology and health will be implemented in FY 84 and FY 85.

- Guinea Appropriate Technology, VITA OPG (675-0208): The OPG will be approved late in FY 83 and the VITA technician will arrive early in FY 84. Two sub-activities are planned: the construction and distribution of Cinva-Ram block machines and improved woodburning stoves. By the end of FY 84, an estimated 250 block machines will be sold. Activities in the construction and field testing of improved wood stoves will be coordinated with the Forestry Project (see above) and one Peace Corps Volunteer will be attached to this activity. An evaluation of the project will be undertaken late in FY 85 to determine the scope and nature of follow-on activities.

- Integrated Eye Health, IEF OPG: This regionally funded OPG with the International Eye Foundation will be signed late in FY 83. The IEF Project Director/Ophthalmologist arrived in December 1982 and the construction of the Clinic (GOG financed) will be completed late in CY 83. The GOG's eye-care personnel will be moved from their present unsuitable quarters (Donka Hospital) to the Clinic early IN CY 84. The first training course for health personnel in the prevention and cure of eye diseases will take place late in FY 83 in the Kankan area of northeast Guinea where the GOG, with assistance from Canada, will open an eye health post/referral center. In early FY 85, a similar center will be opened in Labe. Those cases which require surgery will be referred to the Clinic in Conakry. An estimated 500 eye operations will be done in FY 85.

- Combatting Childhood Communicable Diseases (698-0421): The goal of this regionally funded activity (which began in 1979) is to enable the African countries to control six childhood diseases (measles, polio, TB, tetanus, diphtheria and pertussis) through the Expanded Program

of Immunization. It will also include malaria treatment and oral rehydration therapy for diarrheal diseases.

A CCCD team is currently performing an assessment of Guinea's primary health care services to determine whether to begin a bilateral CCCD program. If approved, this program would begin in late 1983 or early 1984. Activities under the present Mother-Child Health Program (Projet AMIS (698-0410.31) will end in January 1984.

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
 COUNTRY/OFFICE Guinea

	FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
	ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
Agriculture, Rural Development & Nutrition Grants	1,500	2,300	2,300	2,600	2,400	2,500	2,300	2,000
Selected Development Activities Grants	500		-	-	300	300	700	1,000
Functional Subtotal Grants	2,000	2,300	2,300	2,600	2,700	2,800	3,000	3,000
DA Accounts Grants (of which PVO's)	2,000 (500)	2,300 (-)	2,300 (500)	2,600 (-)	2,700 (300)	2,800 (300)	3,000 (-)	3,000 (-)
PL-480 Title I (see narrative)	5,000	2,000	5,000	5,000	5,000	5,000	-	-
TOTAL PERSONNEL								
USDH (workyears)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
FNDH (workyears)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1983 to FY 1985 (\$ thousands)

Country/Office Guinea

<u>APPROPRIATION ACCOUNT</u>		<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
<u>Agriculture, Rural Development & Nutrition</u>				
675-0204 - Agricultural Research, Extension & Training	G	1,500	1,800	2,100
675-0209 - Agricultural Cooperatives Development OPG	G	-	500	-
675-0207 - Community Forestry II	G	-	-	500
<u>Selected Development Activities</u>				
675-0208 - Appropriate Technology OPG		500	-	-
<u>Total all DA Appropriation Accounts</u>		2,000	2,300	2,600
<u>Economic Support Fund</u>		-	-	-
TOTAL DA AND ESF		2,000	2,300	2,600

Guinea - New Project Narrative

Project 675-0209 - Guinea Agricultural Cooperative Development
OPG

Proposed Funding (\$000):

<u>FY 84</u>	<u>FY 85</u>	<u>LOP</u>
500	-	500

In 1979, the Government of Guinea experimented with the latest in a series of state run farming systems. These farms known as "Fermes Agropastorales des Arrondissements" (FAPAs) have failed miserably. The World Bank team which visited Guinea in late 1982 estimated that only a small minority of the 320 FAPAs in existence could possibly become self-sustaining. In recognition of the failure of the FAPAs, the Government recently announced that as of May 31, 1983 two-thirds of the FAPAs would be converted to cooperatives to operate on their own. A year later, the remaining one-third will be converted.

The Government decision to convert FAPAs into cooperatives was made without sufficient thought as to method and time requirements. In order to address this problem and facilitate the transition from state farms to cooperatives, the Minister of FAPAs and Rural Cooperatives requested the American ORT Federation to come to Guinea and discuss the problem. (By way of background, ORT has had a long history of involvement in Guinea and the present director, Simon Feldman, is on personal terms with President Touré). Early in 1983, ORT sent a two man team to Guinea to examine alternatives to the FAPA system. The team looked at several FAPAs which have the most promise of success, i.e. good soils, access to water, transportation facilities and markets. They concluded that several locations would be ideal to establish cooperatives based on the Mochav model currently being successfully employed in Israel. Two potential sites have been identified in the rich agricultural area near Kindia in Lower Guinea.

The proposed Guinea Agricultural Cooperative Development project is a 2-year OPG with the Organization for Rehabilitation through Training (ORT), an American PVO. The purpose of the project is to assist the GOG in conversion into autonomous cooperatives of FAPAs possessing requisite potential for economic viability. The project will fund technical assistance, training and limited commodity support for the purpose of converting FAPAs into functioning autonomous agricultural cooperatives. The cooperatives developed through this project will serve as models for further cooperative development by the GOG. Technical assistance provided by this project will also assist Guinean personnel in the identification of other FAPAs possessing requisite potential.

The proposed project directly addresses the AID strategic objective of increasing food production by the rural population. The project has policy reform impact in that it provides the Government of Guinea with a concrete alternative to the costly and inefficient state-farm agricultural systems. The project will serve as a means of agricultural technology transfer. The project will result in the direct transfer of agricultural infrastructure from the public to the private sector. The project will establish linkages with Agricultural Research Institutions which have been strengthened by the Guinea Ag I and II projects; it is highly possible that the project will benefit from the applied research activities of the Guinea Agricultural Research, Training and Extension project; and wherever possible activities will be coordinated.

Guinea - New Project Narrative

Project 675-0207 - Guinea Community Forestry II

Proposed Funding: (\$000): Agricultural, Rural Development
and Nutrition

<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>LOP</u>
500	200	500	300	1,500

The surging need for food to feed both people and livestock has overextended the carrying capacity of the land in the rugged terrain of the Fouta Djallon region of Middle Guinea. The cultivating of marginal lands and the shortening of fallow periods, along with burning bush to regenerate pasture for livestock in the area have led to soil degradation, low agricultural productivity, deforestation and erosion. Gradual transformation of forest lands into agricultural fields had aggravated an already acute problem of scarce firewood needed to supply the energy needs of a rapidly increasing population and has contributed to lowering the water table in an area suffering from severe seasonal water shortages.

In response to the problems caused by deforestation and the urgent need for fuelwood, the Community Forestry project is proposed as part of an integrated, multi-donor effort at redressing the ecological imbalance, increasing agricultural productivity, and raising the standard of living in the Fouta Djallon.

The project is a 4-year effort to provide villagers of Pita-Labé region of Middle Guinea with fast growing trees for fuelwood, forage, soil enrichment, and erosion control. The project builds on the Community Forestry AIP (698-0410.35) which is primarily concerned with the development of village woodlots in the Kokoulo River Basin area. The follow-on project will continue activities in the Kokoulo Basin and initiate activities in the Gambia River Basin area to the north and east of Labé, approximately 50 kilometers from the site of the present project. The close proximity of the two sites (linked by paved road) will permit close linkage and pooling of resources and equipment. It is estimated that approximately 96 p/m of

long-term technical assistance will be funded: consisting of two foresters. Short-term consultants (socio-economist, soils classifier, etc.) will also be funded.

AID strategy in Guinea is to stimulate broadly based, self-sustaining economic growth and to assure food security to the population; the principal target group is the rural poor. The proposed project is consistent with AID strategy in that it directly addresses the need to reverse the continuing soil degradation of the Fouta-Djalou area. The project goal is to reduce the rate of deforestation through development of a village woodlot program.

The project will assist and strengthen the regional office at the Water and Forests Service in the Fouta Djalou through short-term training and provision of technical assistance. The project will also provide long-term training (to the masters level) for two technicians from the national office of Water and Forests (\$50,000). The project addresses congressional concerns in the areas of energy and environment; also, since it is women who have the responsibility of gathering wood (often walking long distances), the project benefits rural women.

Project design will benefit from the planned FY 84 evaluation of the current project and socio-economic studies being undertaken in connection with the Gambia River Basin project (OMVG). Other possible linkages with the OMVG project will be explored as the project is developed. Since it now appears that a Peace Corps Program will be established in Guinea, there is a distinct possibility the PVC foresters will be assigned to the project.

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 FY 1985 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1985 PROPOSED PROGRAM BANKING					Country/Office Guinea	
RANK	PROGRAM ACTIVITY	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION				INCR	CUM
1	675-0204 - Agricultural Research, Extension, and Training	0	G	ARD	2,100	2,100
2	PL-480, Title I				(5,000)	2,100
3	675-0207 - Community Forestry II	N	G	ARD	500	2,600

Table V - Narrative

USAID's top priority and the centerpiece of our activities in Guinea is the Agricultural Research, Extension and Training project (675-0204). This project which utilizes the infrastructure and trained personnel financed under the Guinea Ag I project (675-0201) will provide small farmers in the project with access to a package of agricultural inputs and technical assistance which will permit them to significantly increase their productivity and income. The PL-480 Title I program will continue to provide both balance of payments support and direct food assistance. Starting in FY 84 the rice portion of the program will decline by \$1 million per year as domestic production increases. However, the overall level of the program will be maintained at \$5 million as cotton is substituted for rice (see PL-480 narrative). The Community Forestry project will follow and build on the current forestry AIP being implemented in the Fouta Djallon area. The forestry activity complements efforts in the agricultural sector by helping enhance soil fertility and preventing erosion.

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE Guinea

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance	
		Start To Start To (Qtr)	Start To Start To (Qtr)	Start To Start To (Qtr)	Start To Start To (Qtr)					
P1-480, Title I	8/79	2	3	-	-	Guinea has had a Title I program, mostly rice, virtually every year since 1962. There are serious questions as to the disincentive effects on the local production of rice. There are also problems with the use of counterpart funds.	OE	10	15	Anticipate assistance from REDSO's FFP officer and AID/W's FVA/I office. (15 day TDY).
Community Forestry AIP (698-0410.33)	-	3	4	-	-	Review progress and achievements of this pilot project. A follow-on Forestry activity is planned for FY 85 and the evaluation will become an essential input for project design.	PDS	5	15	Forestry advisor from REDSO/WCA or AID/W will be required (10 day TDY).
Guinea Appropriate Technology (675- 0208)	-	-	-	3	4	Review progress and achievements of this OPC. Follow-on project planned for FY 86.	PDS	5	15	Energy advisor from REDSO/WCA or AID/W will be required (10 day TDY).

(Edward T. Costello,
 AAO/Conakry,
 10% of time)

ORGANIZATION Guinea

ORGANIZATION Guinea

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				234.0	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			105.6	2.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116			26.5	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119			2.0	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126			7.5	5.0
RETIREMENT - U.S.	U107	120			7.4	XXXXX
LIVING ALLOWANCES	U108	128			21.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129			3.7	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129			1.0	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			4.0	1.0
POST ASSIGNMENT - FREIGHT	U112	22			15.0	1.0
HOME LEAVE - TRAVEL	U113	212			13.3	3.0
HOME LEAVE - FREIGHT	U114	22			21.0	3.0
EDUCATION TRAVEL	U115	215				
R AND R TRAVEL	U116	215			-	
ALL OTHER CODE 215 TRAVEL	U117	215			6.0	4.0
<u>FOREIGN NATIONAL DH</u>	U200				36.7	XXXXX
BASIC PAY	U201	114			29.8	2.5
OVERTIME, HOLIDAY PAY	U202	115			3.2	0.1
ALL OTHER CODE 11 - FN	U203	119			2.5	XXXXX
ALL OTHER CODE 12 - FN	U204	129			1.2	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300				210.0	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113			160.0	2.0
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113			50.0	2.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400				134.2	XXXXX
RENT	U401	235			50.0	4.0
UTILITIES	U402	235			22.0	XXXXX
RENOVATION AND MAINT.	U403	259			11.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311			15.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			11.2	XXXXX
SECURITY GUARD SERVICES	U407	254			24.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252			1.0	XXXXX

ORGANIZATION Guinea

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500				231.0	XXXXX
RENT	U501	234			9.0	XXXXX
UTILITIES	U502	234			7.5	XXXXX
BUILDING MAINT./RENOV.	U503	259			4.5	XXXXX
OFFICE FURN./EQUIP.	U504	310			22.0	XXXXX
VEHICLES	U505	312			-	XXXXX
OTHER EQUIPMENT	U506	319			4.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22			9.2	XXXXX
COMMUNICATIONS	U508	230			3.3	XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24				XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210			18.0	18.0
INFORMATION MEETINGS	U513	210			15.0	6.0
TRAINING ATTENDANCE	U514	210			5.0	3.0
CONFERENCE ATTENDANCE	U515	210			15.0	5.0
OTHER OPERATIONAL TRAVEL	U516	210			12.0	7.0
SUPPLIES AND MATERIALS	U517	26			39.0	XXXXX
FAAS	U518	257			55.0	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259			12.5	XXXXX
TOTAL O.E. BUDGET					845.9	XXXXX
RECONCILIATION					200.2	XXXXX
OPERATING ALLOWANCE REQUEST					645.7	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs

Exchange rate used (as of May 1, 1983)

227.2

\$1 equals 22.2 Syllis

Estimated Wage Increases - FY 1983 to FY 1984

Estimated Price Increases - FY 1983 to FY 1984

10%

10%

ORGANIZATION Guinea

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				197.5	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			109.2	2.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116			27.3	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119			2.0	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126			8.2	5.0
RETIREMENT - U.S.	U107	120			7.6	XXXXX
LIVING ALLOWANCES	U108	128			22.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129			3.8	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129			-	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			-	
POST ASSIGNMENT - FREIGHT	U112	22			-	
HOME LEAVE - TRAVEL	U113	212			-	
HOME LEAVE - FREIGHT	U114	22			-	
EDUCATION TRAVEL	U115	215				
R AND R TRAVEL	U116	215			11.4	4.0
ALL OTHER CODE 215 TRAVEL	U117	215			6.0	4.0
<u>FOREIGN NATIONAL DH</u>	U200				40.3	XXXXX
BASIC PAY	U201	114			32.7	2.5
OVERTIME, HOLIDAY PAY	U202	115			3.5	0.1
ALL OTHER CODE 11 - FN	U203	119			2.7	XXXXX
ALL OTHER CODE 12 - FN	U204	129			1.4	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300				220.0	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113			160.0	2.0
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113			60.0	2.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400				146.1	XXXXX
RENT	U401	235			55.0	4.0
UTILITIES	U402	235			24.0	XXXXX
RENOVATION AND MAINT.	U403	259			12.1	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311			16.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			12.0	XXXXX
SECURITY GUARD SERVICES	U407	254			26.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252			1.0	XXXXX

ORGANIZATION Guinea

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500				259.3	XXXXX
RENT	U501	234			9.0	XXXXX
UTILITIES	U502	234			8.0	XXXXX
BUILDING MAINT./RENOV.	U503	259			5.0	XXXXX
OFFICE FURN./EQUIP.	U504	310			6.0	XXXXX
VEHICLES	U505	312			15.0	XXXXX
OTHER EQUIPMENT	U506	319			12.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22			14.7	XXXXX
COMMUNICATIONS	U508	230			3.6	XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24				XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210			19.5	18.0
INFORMATION MEETINGS	U513	210			16.5	6.0
TRAINING ATTENDANCE	U514	210			5.5	3.0
CONFERENCE ATTENDANCE	U515	210			16.0	5.0
OTHER OPERATIONAL TRAVEL	U516	210			13.0	7.0
SUPPLIES AND MATERIALS	U517	26			42.0	XXXXX
FAAS	U518	257			60.0	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259			13.5	XXXXX
TOTAL O.E. BUDGET					863.2	XXXXX
RECONCILIATION					209.9	XXXXX
OPERATING ALLOWANCE REQUEST					655.3	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs

253.3

Exchange rate used (as of May 1, 1983)

\$1 equals 22.2 Syllis

Estimated Wage Increases - FY 1984 to FY 1985

10%

Estimated Price Increases - FY 1984 to FY 1985

10%

TABLE VIII
OPERATING EXPENSE NARRATIVE

A. Comments on Table VIII:

Workforce levels for USDH and FNDH are those given in State 135213. The figures for FAAS are consistent with the information provided by AID/W in State 061373.

B. Management Improvements:

AAO Conakry has a USDH staff of two, and no increase is projected over the FY 84-85 period. Increases in workload are absorbed by reliance on Personal Service Contractors and project-funded technicians. This tends to be less costly than USDH positions and require considerably less GSO support from the Embassy thus holding down the growth of the FAAS budget. Also, under the proposed Guinea Ag II project, a project-funded logistics support contract will minimize USDH involvement in the administrative and support details of the project.

C. Justification for Funding Changes:

The increase in the U100 level in FY 84 is due to the bunching up of post assignments and home leaves in that year. The FY 85 level is only 10% higher than the FY 83 level and this is due to expected wage and price increases. The contract personnel level (U300) will increase in FY 84 and 85 due to the planned addition of an FSN contract for an accountant/financial management position. Increases in other functional levels (U200, U400 and U500) are due to anticipated wage and price increases.

D. Trust Funds:

Prospects for negotiating a Trust Fund arrangement in Guinea are not promising.

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TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS

	(\$000)		
	GUINEA	Fiscal Year	
	1983	1984	1985
A. <u>Capital Investments</u>			
1. Purchase of ADP Equipment	-	15.0	-
2. Purchase of Software		5.0	
Subtotal		20.0	-
B. <u>Personnel</u>			
1. Compensation, Benefits, Travel	1.5 ^{a/}	1.5	-
2. Workyears	-	-	-
Subtotal	1.5	1.5	-
C. <u>Equipment Rental and Other</u>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	-	-	-
2. Supplies and Leased Software			
Subtotal			
D. <u>Commercial Services</u>			
1. ADP Service Bureau	-	-	-
2. Systems Analysis and Programming			
3. ADPE Maintenance (If separate from item C.1.)			
Subtotal			
E. <u>Total Obligations (A-D)</u>	-	20.0	-
F. <u>Intersagency Services</u>			
1. Payments	-	-	-
2. Offsetting Collections			
Subtotal			
G. <u>Grand Total (E+F)</u>	1.5	20.0	-
Amount included in <u>Mission allowance</u> for existing systems	-	-	-
Amount included in <u>Mission allowance</u> for new/expanded systems	-	20.0	-

^{a/} Travel and per diem costs for AAO Program Assistant to attend REDSO/WCA computer training course.

Table VIII (a) - Automatic Data Processing Narrative

In FY 84, the mission intends to acquire a desk-top mini-computer--probably the IBM Personal Computer. Uses of the computer include: Mission accounting (OE), NXP property accounting, loan payment tables for USAID and PL-480 loans (the GOG never seems to know), project accounting, evaluation plans, etc. Because of frequent power interruptions, a computer will only be installed if the primary power source is a battery pack. Understand systems are available which utilize a series of auto batteries as primary power source. Municipal power is utilized to charge batteries. AAO Program Assistant will be trained in computer use and operation and the AAO will be the back-up operator. Other members of the AAO staff will also be encouraged to become proficient with the mini-computer. Mission has no plans to acquire separate word processing systems.

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

GUINEA

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
016	AID Affairs Officer	1	1	1	1
100	Project Mgr Agriculture	1	-	-	-
124	General DEL Officer	-	1	1	1
252	Civil Eng Officer ^{a/}	1	-	-	-
	Total USDH	3	2	2	2

^{a/} Position never filled

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

GUINEA

<u>SKILL CODE</u>	<u>POSITION TITLE</u>	<u>WORKYEARS</u>			
		<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
070	Admin Assistant	1	1	1	1
070	Chauffeur	1	1	1	1
	Total FN Regular	2	2	2	2
050	Secretary/Translator	1	1	1	1
	Total Part Time	1	1	1	1

Table IX - Narrative

The AID Affairs Office in Guinea is currently staffed by two USDH employees: an AID Affairs Officer and an Agricultural Project Manager. In FY 83, a civil engineer position was established, never filled and subsequently eliminated. In FY 84, the Agricultural Project Manager position will be converted into a General Development Officer (GDO) slot and the duty post changed from Conakry to Faranah. The GDO's responsibilities will be to monitor, oversee and direct USAID's centerpiece agricultural project, i.e. Guinea Ag II. The large up-country project involves a Title XII relationship with a U.S. University and will be supported by a project-funded logistics support firm. The AAO Office in Conakry will be staffed by the AAO and supported by PSC and FSN personnel. (See Conakry 1727 for project-by-project staffing and workload estimates). We anticipate the need for one additional project-funded PASA technician to oversee the activities of the Combatting Communicable Childhood Diseases Project (CCCD). See Mission Action Plans. The technician would arrive early in CY 84 and will be included under the regional USDH ceiling. AAO's ability to implement projects is considerably augmented by REDSO/WCA personnel who provide both regular and on-call assistance. Also, in FY 84 we anticipate that a Peace Corps presence will be reestablished in Guinea, with the initial wave of seven PCV's to be attached to AID projects in Appropriate Technology (1), Forestry (2), and Agriculture (4). This will also augment AAO's ability to implement projects.

The AAO USDH staff is now at an irreducible minimum. Project and Mission responsibilities could not be carried out if one of the two positions were eliminated. Thus, we would be unable to participate in the 10% force reduction mentioned on p. 40 of the ABS instructions.

GUINEA

PL 480 Title I Narrative

The U.S. and Guinea have signed concessional PL-480 Title I sales agreements (mostly rice) in virtually every year since 1962. The impact of the program is difficult to assess and for this reason an in-depth evaluation has been programmed for FY 84 (see Table VII). It does appear, however, that there has been a sizeable and favorable balance of payments effect (\$112 million in imports through FY 82), but this impact is being eroded by growing debt service payments on prior agreements (\$3.2 million in 1982). The program has also generated a large counterpart fund account which covers the local currency requirements of all AID's projects and some activities of other donors. On the other hand, the development impact of the program has probably been insignificant. Until AID began to implement projects in the late 70's, counterpart generations were mostly used to cover current expenditures. Also, the GOG performance in the area of self-help has not been noteworthy. Finally, since the GOG sells the rice at prices below the production cost of local rice, there is growing concern about the disincentive effects of the program. During the AID/W review of Guinea's FY 84 ABS, the program was labeled as "an institutional subsidization program" (82 State 238706). However, the program was maintained at the \$5 million level in order to provide more time for the GOG's economic liberalization policies to take hold. Also, activities under the successful World Bank rice growing project (ONADER) are beginning to result in increased production. Guinea is a traditional rice producer and, with proper incentives, the country could become self-sufficient and even an exporter of rice.

In order to address the disincentive problem and yet preserve the size of the program, which has significant political implications for our longer run relationship with Guinea, AAO recommends a phasing out of rice imports to be offset by imports of cotton. A large FED financed cotton textile factory near Conakry will begin production in mid CY 83 and Guinea produces virtually no cotton. While a French run cotton growing program is contemplated, significant production of domestic cotton in the near term is not likely. Thus, the substitution of cotton for rice represents an attractive alternative and will meet an immediate need. A Title I cotton program

will continue to provide valuable balance of payments assistance, not compete with domestic production (as in the case of rice), provide income generating employment in the textile industry and still provide counterpart funds to support the local costs of development activities.

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TABLE XI

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

<u>COMMODITIES</u>	<u>FY 1983</u>			<u>Estimated FY 1984</u>			<u>Projected FY 1985</u>		
	<u>Agreement</u> \$ MT	<u>Shipments</u> \$ MT	<u>Carry into</u> FY 1983 \$ MT	<u>Agreement</u> \$ MT	<u>Shipments</u> \$ MT	<u>Carry into</u> FY 1984 \$ MT	<u>Agreement</u> \$ MT	<u>Shipments</u> \$ MT	<u>Carry into</u> FY 1985 \$ MT
<u>Title I</u>									
Rice	5 16	5 16	- -	4 13	4 13	- -	3 10	3 10	- -
Cotton	- -	- -	- -	1 3	1 3	- -	2 6	2 6	- -
<u>Total</u>	5 16	5 16	- -	5 5	5 5	- -	5 5	5 5	- -
<u>Of which</u> <u>Title III</u>									
<u>Total</u>									

COMMENT: See Narrative

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FY 85 - ABS
Non-Bilateral Activities - Guinea a/

<u>Project Title and Number</u>	<u>Start</u>	<u>Terminate</u>	<u>Principal AID Office</u>	<u>Anticipated LOP cost in Guinea (\$000)</u>	<u>Priority</u>
Mother-Child Health Care A.I.P. Project AMIS (698-0410.31)	1980	1984	AAO/Conakry	460	High
Community Forestry A.I.P. (698-0410.35)	1981	1985	AAO/Conakry	460	High
African Manpower Development II Project (698-0433.21)	1979	Cont 'g	AAO/Conakry	per year 175-200	High
Semi-Arid Food Grain Research and Development (SAFGRAD) (698-0393)	1977	1984	USAID/Ouagadougou	200	High
Support to Regional Organizations a) OMVG (698-0413.11) b) NBA (698-0413)	1981 1982	1983 1987	USAID/Dakar/RBDO USAID/Niamey	1,400 400	Medium Medium
Gambia River Basin Development- Aerial Photography (625-0012)	1981	1986	USAID/Dakar/RBDO	500	Medium
Niger River Basin Planning (625-0915)	1976	1984	USAID/Niamey	Uncertain	Medium
Strengthening Health Delivery Systems (SHDS) (698-0398) (phased over to CCCD)	1977	1986	REDSO/WCA	Not known at this post	Low
Combatting Childhood Communicable Diseases (CCCD) (698-0421)	1979	1989	REDSO/WCA	180,000 doses of (Measles Vaccine p/year)	High

a/ For proportion of staff time spent on regional activities, see Conakry I727.