

UNCLASSIFIED

PD-AAS-501

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 1980

GUINEA

BEST AVAILABLE

**DEPARTMENT
OF
STATE**

JUNE 1978



UNCLASSIFIED

ANNUAL BUDGET SUBMISSION

FY 1980

GUINEA

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ANNUAL BUDGET SUBMISSION

TABLE OF CONTENTS

	Page
1. Table I - Long Range Plan	1
2. Table III - Summary of Resources	2
3. Table IV - A and B - Activity Data 675-0201 Guinea Agricultural Production Capacity and Training	3
4. Table V - Proposed Program Ranking	6
5. Workforce and Operating Expenses	7
6. PL-480 Title I	20

GUINEA

ABS

INTRODUCTION OVERVIEW

There is no A.I.D. Mission in Guinea. The small program funded since 1976 is managed by the ADO Regional Office in Dakar. The A.I.D. Officer position in Conakry has been vacant since last August. However, an officer has been selected and is in language training for subsequent assignment to Conakry. Upon his arrival, it is expected that assessment will begin for the purpose of developing a long range assistance program for Guinea. As a result, this ABS does not propose any new projects for Guinea but sets forth the operating costs required to staff the position allocated for field operations in Conakry.

Last year, the ABS for Guinea was included in ADO Senegal's submission. USAID/Senegal has continuing responsibility for the program and accordingly the section on Mission Operating Expenses and Workforce was extracted from the ADO Senegal Submission which combines the Guinea requirements with those of the Senegal Mission. Additionally for the reasons stated in the first paragraph, the following sections of the ABS have been omitted:

Decision Unit Overview

Decision Packages

Evaluation Plan

TABLE 1 - LONG RANGE PLAN

(\$ millions)

	FY 19PY	FY 19CY	FY 19BY		PLANNING PERIOD				
	<u>ESTIMATE</u>	<u>REQUEST</u>	<u>MINIMUM</u>	<u>MARK</u>	<u>PROPOSED</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
Food & Nutrition Grants	1.8	4.4		.2	.2	2.	2.	3.	3.
Pl. 480 (Title I)	5.4	5.4			8.0	8.0	8.0	8.0	8.0
Personnel (in work- years)									
Mission - U.S.	.2	.8			.8	1.0	1.0	1.0	1.0
F.N.	.2	.2			.6	.6	.6	.6	.6
TDY U.S.D.H.	.1	.1			.1	.1	.1	.1	.1
Contract, other	-	-			.2	.2	.2	.2	.2
Operating Expenses	.09	.13			.17	.18	.19	.20	.21

ACTIVITY DATA TABLE IV A

GUINEA AGRICULTURAL PRODUCTION
CAPACITY AND TRAINING
675-0201

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

Background: Guinea is potentially one of the richest countries in Africa. At the moment, however, it is one of the least developed. Guinea has a chronic food deficit and agricultural production has stagnated. The current GOG Five Year Plan gives priority to food production and government development expenditures will concentrate on this area. Guinea specifically requested U.S. assistance in agriculture and it was determined by AID that given present constraints in Guinea the most effective assistance could be given in the area of integrated assistance to agricultural research, extension, and education. Accordingly, the present project was initiated with the signing of a Project Agreement in 1976.

Progress to Date: Schematics for the project construction have been presented and approved; a technical consultants report has been submitted outlining recommendations for the technical considerations of the project and presenting a detailed list of all equipment necessary; seven participants are presently enrolled in agricultural M.S. programs in the U.S. A Project Paper amendment was signed 8/15/77 authorizing proceeding with Phase II of the the project and increasing project funding. A contract has been signed for development of the final working drawings for construction and for furnishing construction supervision. Construction is estimated to begin in 6/79.

Beneficiaries: The Project's direct involvement with agricultural research, its upgrading of a main agricultural education facility, and its training component for agricultural cadre, farmers and students are all designed ultimately to assist the small farmer with better crop varieties and live-stock breeds, better agricultural techniques, and an improved agricultural extension service. Clearly, the project's benefits will flow via improved agricultural practices and trained individuals who will be working directly with the needy, to the primary producers in Guinea, the rural poor.

Current Year Program: Final Working Drawings for all project construction will be completed. Contract for construction services will be negotiated and signed; initial supply of construction materials will be ordered under PIO/C. Negotiations for a technical assistance contract for Tindo will be initiated.

Budget Year Program: All construction at Faranah, Foulaya, and Tindo will be completed and equipment in place. The seven M.S. participants will return to equipped laboratories and establish programs in agricultural research. Three participants will have completed practical training in support of the research activities.

GUINEA AGRICULTURAL PRODUCTION
CAPACITY AND TRAINING
675-0201

Major Outputs:

1. Participants with M.S. in fields of agricultural research - 12.
2. Participants completing practical training - 6.
3. Renovated and augmented agricultural research center at Foulaya performing relevant research. Furnished will be four equipped research labs, electrical and water systems to support the labs, and field research equipment.
4. An operating demonstration farm/research complex at Tindo. Furnished will be a Training Center consisting of training room, dining room with kitchen, office space, and dormitory for 34 trainees. Also a Demonstration/Research Farm of appropriate livestock shelters with auxiliary facilities, offices, technicians quarters, farm laborers quarters, road network, and feed mixing, feed storage, an agricultural implement shed, and repair area. Farm fields will be fenced and leveled. An irrigation system with pumping facility will be incorporated. The buildings will all be equipped and furnished.
5. Renovated and effective agricultural school and farm at Faranah. Furnished will be three equipped teaching laboratories, a library, dormitories, classroom space, offices, and an infirmary. Also, a repair shop, garage, spare parts storage, and carpentry shop. For the college farm provided will be poultry houses, animal barns, machinery and implement sheds, repair space, spare parts storage, and appropriate commodity storage space. Construction will be provided with adequate sewage, water, and electrical system and access roads.

TRANSACTION CODE: 675 Guinea
 BUREAU CODE: Mark/Proposed
 NAME OF DECISION PACKAGE SET: Mark/Proposed

RANK	DECISION PACKAGES / PROGRAM ACTIVITY / SUPPORT ITEM	APPROPRIATE ACCT	PERSONNEL INTENSITY	MISSION	OPERATING EXPENSES	WORKYEARS FUNDED FROM	RESOURCE REQUIREMENTS			
							PROGRAM ACCOUNT	PROGRAM INCREMENT	PROGRAM FUNDING	
										TOY
1.	<u>Decision Package - Minimum/Proposed</u> 0201 Agricultural Production Capacity and Training (GO) Summary by Personnel Intensity Low (0) Medium (0) High (1)	FN	H	1.0	-	-	200	(-)	(-)	(200)
	Total			(1.0)	(-)	(-)	(200)	(-)	(-)	(200)

MISSION OPERATING EXPENSE FUNDED PERSONNEL REQUIREMENTS
(17 work years xx.x)

USAID/Senegal, OMVS, Gambia and Guinea

MISSION SPECIFIC PERSONNEL	FY 78				FY 79				FY 80 Mark				FY 80 Minimum				FY 80 Proposed							
	Estimated Actual		Estimated		FNDH		USDH		FNDH		USDH		FNDH		USDH		FNDH		USDH		FNDH		USDH	
	FNDH	CONT	FNDH	CONT	FNDH	CONT	FNDH	CONT	FNDH	CONT	FNDH	CONT	FNDH	CONT	FNDH	CONT	FNDH	CONT	FNDH	CONT	FNDH	CONT	FNDH	CONT
Directly Related to Activities*																								
Policy, Direction & Management	7.1	4.8		6.7			12.2		8.3			12.2		8.3			4.8		2.0			12.2		8.3
Financial Management	3.4	2.0		2.0			4.8		2.0			4.8		2.0			4.8		2.0			4.8		2.0
Mission Support	3.0	1.0	8.9	3.0	1.0	10.3	3.0	1.0	11.0	3.0	1.0	11.0	3.0	1.0	11.0	3.0	1.0	11.0	3.0	1.0	11.0	3.0	1.0	11.0
IDI's	-	6.8	22.3	.5	7.0	27.2	1.0	7.0	29.7	1.0	7.0	29.7	1.0	7.0	29.7	1.0	7.0	29.7	1.0	7.0	29.7	1.0	7.0	29.7
OTHER (Specify)																								
TOTAL	13.5	7.8	38.0	19.7	8.0	46.2	21.0	8.0	51.0	21.0	8.0	51.0	21.0	8.0	51.0	21.0	8.0	51.0	21.0	8.0	51.0	21.0	8.0	51.0
END OF YEAR CEILING	18	9	=	27	21	9	=	30	21	9	=	30	21	9	=	30	21	9	=	30	21	9	=	30

NON-MISSION SPECIFIC PERSONNEL - See Supplementary Budgets for Each Location

Auditor General & IIS																								
Other (Specify): OMVS	3.8	1.0	1.0	3.0	1.0	1.0	3.0	1.0	1.0	3.0	1.0	1.0	3.0	1.0	1.0	3.0	1.0	1.0	3.0	1.0	1.0	3.0	1.0	1.0
Gambia	1.0	-	1.0	1.5	-	2.0	2.0	-	3.0	2.0	-	3.0	2.0	-	3.0	2.0	-	3.0	2.0	-	3.0	2.0	-	3.5
Guinea	.7	-	2.3	1.0	-	3.0	1.0	-	4.0	1.0	-	4.0	1.0	-	4.0	1.0	-	4.0	1.0	-	4.0	1.0	-	4.0
TOTAL	5.5	1.0	4.3	5.5	1.0	6.0	6.0	1.0	8.0	6.0	1.0	8.5												
END OF YEAR CEILING	6	1	=	7	6	1	=	9																

Note: Above table excluded workyears for local employee overtime and time for short-term U.S. contracts which are shown on lines 21 and 29 of Operating Expense Budget.

*From Table V.

OPERATING EXPENSE BUDGET
USAID/Senegal, Omys, Gambia and Guinea

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		MARK \$	UNITS	PROPOSED UNITS
				UNITS	\$	UNITS	\$	UNITS	\$			
<u>HOUSING Continued</u>												
Rent	32	235	No. of Residential Units	24	269.2	28	277.9	28	354.2		28	
Utilities	33	235	No. of Residential Units	24	92.7	28	124.7	28	136.4		28	
Renovation	34	259	No. of Residential Units	4	8.0	7	22.0	1	1.5		1	
Maintenance	35	259	Total Square Feet	N/A	16.3	N/A	21.9	N/A	24.2		N/A	
Residential Furnishings and Equipment	36				126.3		51.7		46.8			
Additions to Inventory	37	311	No. of Residential Units	5	46.5	-	-	-	-		-	
Replacement	38	311			30.5		32.3		26.8			
Transportation	39	22			49.3		19.4		20.0			
Quarters Allowance	40	172	No. of Residential Units	-	-	-	-	-	-		-	
Mission Director	41				30.1		32.1		55.0			
Rent	42	235			18.9		18.9		23.6			
Utilities	43	235			5.4		5.6		5.9			
Renovation of Residence	44	259			.7		.8		1.5			
Maintenance of Residence	45	259			.2		.3		1.3			
Supplies and Materials	46	26			-		-		8.0			
Furniture Procurement	47	311			.3		1.2		1.2			
Official Residence Allowance	48	254			1.5		2.2		2.5			
Representation Allowance	49	252			3.1		3.1		11.0			
Vehicles	50				-		-		-			
Acquisition	51	312			3.1		3.1		7.5			
Operation/Maintenance	52	259			-		-		3.5			
Portion of Lines 31-52 for Program Funded People	53				-		-		-			
OFFICE OPERATIONS	54				895.7		2,034.7		1,176.7			1,209.5
Acquisition of Land and Structures	55	320			-		1,000.0		-			
Rent	56	234			119.8		134.1		173.2			
Utilities	57	234			20.0		23.4		35.5			
Renovations	58	259			1.0		4.5		10.0			
Building Maintenance	59	259			16.6		12.9		14.7			
Office Furnishings and Equipment	60				20.2		29.5		20.2			
Additions to Inventory	61	310			20.2		21.5		11.7			
Replacement	62	310			-		8.0		13.0			

OPERATING EXPENSE BUDGET
 USAID/Senegal, OMYS, Gambia and Guinea

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		PROPOSED	
				UNITS	\$	UNITS	\$	UNITS	\$	UNITS	\$
<u>OFFICE OPERATIONS Continued</u>											
Other Equipment	63	319									
Transportation (Freight)	64	22		4.8	6.2					20.6	
Communications	65	230		16.7	21.9					14.9	
Security (Guard Services)	66	259		26.0	29.2					33.2	
Printing and Reproduction	67	24		64.3	89.6					99.1	
Operational Travel	68			1.0	1.5					1.5	
International	69	210		119.6	135.6					156.9	
Domestic	70	210		45.3	51.5					59.5	
Charter/Contract Transportation	71	259		74.3	84.1					97.4	
Vehicles	72			5.0	10.0					10.0	
Addition	73	312	No. of Vehicles	104.3	105.0					89.6	
Replacement	74	312	No. of Vehicles	2	3					-	
Maintenance	75	259	No. of Vehicles	22.0	27.0					40.0	
Automotive Supplies and Materials	76	26	No. of Vehicles	25.5	21					18.4	
Other Supplies and Materials	77	26	No. of Vehicles	22.5	21					31.2	
FAMS	78	257		34.3	21					23.5	
Other U.S. Government Reimbursements	79	258		22.7	23.1					454.8	
Other	80	259		343.9	395.5					-	
Portion of Lines 55-80 for Program Funded People	81			9.8	12.7					14.5	

OPERATING EXPENSE BUDGET

USAID/Senegal, ONVS, Gambia and Guinea

EXPENSE CATEGORY	LINE NO.	FY 1978	FY 1979	MARK	FY 1980	
					MINIMUM	PROPOSED
TOTAL OPERATING EXPENSE BUDGET	82	2,910.7	4,719.4	3,979.1		4,195.0
Reconciliation						
Deduct from item 82 items not funded from Mission's allotment:						
Object Class 11	83	711.9	913.4	987.0		
Object Class 12	84	43.1	55.1	52.4		
Object Class 13	85	-	-	-		
Net FAAS (from line 78)	86	343.9	395.5	454.8		
Other - Explain on Attachment	87	-	5.0	5.4		
Net Allotment Requirements	88	1,811.8	3,350.4	2,472.5		
Operational Year Allotment Requirement by Quarter						
First Quarter	89		500.0			
Second Quarter	90		587.6			
Third Quarter	91		1,631.4			
Fourth Quarter	92		631.4			

ADDITIONAL SCHEDULES AND ANALYSES	Attached	
	Yes	No
Use of Trust Funds		<input checked="" type="checkbox"/>
ADP Equipment		<input checked="" type="checkbox"/>
Budget Line 31 Detail	<input checked="" type="checkbox"/>	
Budget Line 53 Detail	<input checked="" type="checkbox"/>	
Budget Line 80 Detail	<input checked="" type="checkbox"/>	

Justification for Lines 31 and 55

Acquisition of Lands and Structures

Line 31

The amount budgeted for line 31 in FY 79 represents amounts budgeted for the procurement of one residential unit in the Gambia. In FY 77 a suitable house was found but AID/W was unable to provide the funding. The amount budgeted for FY 79 is based on a survey of available houses made in FY 78.

Line 55

The \$1,000,000. budgeted for FY 79 for the acquisitions of lands and structures represents amounts requested for USAID/Senegal. USAID/Senegal has requested AID/W assistance to identify what are the best options as to buy, build or continue leasing offices and residences. Actually there are no firm plans at this time. This request is based on a preliminary analysis, the present high cost of leasing both residences and offices and the continued escalating cost of leasing. Actually a residential apartment with some offices was identified in FY 77. This was a structure with a large number of apartments. At the time the structure was available there was no money for this purpose. The asking price for this structure was \$800,000.00 US Dollars.

ATTACHMENT

USAID/Senegal Consolidated

Line 80 Other Object Class 259

	FY		
	1978	1979	1980
<u>DAKAR</u>			
Insurance on Vehicle	1,400	1,500	1,500
Driver Uniform	1,800	2,000	2,000
Translators Services	1,000	1,500	1,500
Language Training	500	750	900
Machine Maintenance Contracts			
IBM	2,500	2,600	2,700
Burroughs	600	1,000	1,000
Undetermined	1,200	1,650	2,400
	<u>9,000</u>	<u>11,000</u>	<u>12,000</u>
To OMVS	<u>(500)</u>	<u>(600)</u>	<u>(800)</u>
	<u>8,500</u>	<u>10,400</u>	<u>11,200</u>
 <u>OMVS</u>	500	600	800
 <u>GAMBIA</u>			
Undetermined	500	1,000	1,500
 <u>GUINEA</u>			
Undetermined	<u>300</u>	<u>700</u>	<u>1,000</u>
 Total	9,800	12,700	14,500

ATTACHMENT

Senegal

Line 87 - Storage Average AID/W

	<u>FY-79</u>	<u>FY-80</u>
Average per person \$50.00 per quarter x 4 = \$200.00 per annum:		
25.2 USDH x 200 =	5.0	
27.0 USDH x 200 =		5.4
	<hr/>	
Total	5.0	5.4

COMMENTARY ON
OPERATING EXPENSE AND WORKFORCE

Our relationships with the host government have been good and we believe they have a sincere commitment to support the U. S. AID program. In recent years, as a result of the droughts, worldwide interest in the Sahel area has increased. As a result both the number of donors and the number of aid programs including our own have increased substantially. This has taxed the administrative and financial ability of the governments. Most host government officials and employees are spread thin over a variety of aid programs and other administrative tasks. Another factor is the relative scarcity, both within and outside of the government, of trained professional and semi-professional personnel. These factors necessitate that most of the proposed projects be either medium or high personnel intensity.

There are a number of factors which impact on the numbers and types of personnel employed by the Mission. First there is a relative scarcity of foreign national trained professional and sub-professional personnel. As a result the percentage of foreign national professional or sub-professional employees versus U. S. direct hire and U. S. personal service contracts is low. The Mission recognizes the importance of a trained local staff and have budgeted for five additional foreign national professional employees starting in FY 79.

Another important factor on the mix of MOB funded staff is the MODE restrictions. The Government of Senegal has a policy of limiting the number of official government employees. AID personnel are included in this category. As the Senegalese Government tries to maintain an even policy among various foreign governments in regard to the number of official personnel authorized for regular tours of duty they view any request for increased permanent staff with considerable concern. This MODE restriction has had a definite impact on the number and types of direct hire employees and has resulted in increased use of personal services contractors.

During FY-78 the Regional Controller's Office assumed the responsibility for accounting, and reporting for Self-Help Projects for Senegal, Mauritania, Gambia, Guinea, Bissau and Cape Verde as well as all the accounting and reporting for all Guinea Bissau and Cape Verde projects. There are no additional plans to assume services provided by AID/W.

Because of the MODE restrictions and other factors there is not much of a variance in the projected requirements for Mission direct hire personnel other than those directly related to projects. The Mission has established a base of direct hire personnel and will absorb any increases with minimal increases in contractor support.

In converting local currency costs to dollars a rate of 230 CFA to \$1.00 was used. This was the prevailing rate during April and May 1978. For budgetary purposes it was assumed that there would be no variance in the rate of exchange between the CFA and U. S. dollar between the current date, FY-79 and FY-80. Inflation rates of 5% were used to project FY-79 expenses and 6% for FY-80 for local salaries and expenses. Rents in expiring leases were inflated by 25%.

Pay rates effective October 1977 were used to budget base pay and post differential for FY-78, FY-79 and FY-80. We assumed that employees would receive step increases.

The Mission has determined that it is in the interest of the U. S. Government to lease residences directly rather than provide a housing allowance. This is consistent with the policy of the Embassy. The factors that influenced this decision are:

1. The relative scarcity of houses suitable for occupancy for American families. Most houses require modifications. Thus, the market is such that U. S. families would have to spend lengthy periods of time looking for houses.
2. Relatively high turnover of personnel due to schooling and other difficulties of living in Africa.
3. French is the local business language and most AID employees are not proficient enough to negotiate a lease in French.

Funds were not budgeted for contracts for major project design efforts on assumption that project design funds would be available from AID/W as is presently done. Also no funding was requested to extend one FFP monitor position on assumption that this disaster related activity, or any subsequent one, would also receive AID/W financial support.

In the past compensation of foreign national personnel have been limited strictly to salary. During FY-78 the Embassy requested approval and the State Department approved of a plan to enroll all local foreign national employees in the local Senegalese retirement plan. It is anticipated that local employees will be enrolled in the plan prior to the end of FY-78. The employer's (AID) portion of the plan will amount to approximately 6% of the employee's salary. In addition it is anticipated that sometime in FY-79 and FY-80 local employees will be enrolled in a local health insurance plan. No other benefits are anticipated for local employees at this time.

The management of USAID/Senegal initiated several measures in order to use the taxpayer's money more wisely. All new houses rented in FY-78 have been more modest and are located in lower cost areas. In an effort to lower operating expenses management has curtailed or eliminated aircraft charters and car rentals. Late in 1977 a former Peace Corps volunteer was hired under a personal services contract to manage the AID motorpool. He tightened procedures concerning the use of vehicles and the procurement of gasoline and repairs. This has produced a substantial savings in vehicle operations costs. Management have kept down operating expenses by utilizing a mix of direct hire employees and locally hired U. S. PSC contractors. Most of the PSC contractors are former Peace Corps volunteers and their support costs are substantially below that of direct hire employees. During FY-1978 the AID management in Senegal started ordering less expensive furniture for its employees.

This budget presentation contains amounts budgeted for USAID/Senegal, OMVS, Gambia and Guinea. AID/W approved the consolidation of these four units into one MOB during 1977. The reason for the consolidation is that the Regional Controller in Dakar performs the accounting and reporting for all units and the relatively small amounts involved for OMVS, Gambia and Guinea. The budget table represents amounts requested for operating expenses for the three countries plus OMVS. Back-up tables have been included to show the amounts and breakdown of each country. Separate ABSs have been prepared for OMVS and the Gambia. There is one ABS which includes USAID/Senegal and Guinea.

Dakar, Senegal is an expensive area. It is a Class 7 post. As a result local support costs including housing of USDHs, local salaries, office rents, and locally procured supplies and contracts are expensive. Management

has attempted to keep the costs down through conservative policies. Over half the USDH staff live in relatively small apartments.

Approximately 50% of the total MOB, excluding money budgeted for acquisition of lands and structures, is for personnel costs. The majority of the personnel costs are regulated by law and therefore not subject to the control of Mission management. Approximately 30% of the total MOB is for office operations. About 40% of the office operations is the FAAS charge. Other significant items are office rents, operational travel and vehicles procurement and operations. The operational travel is relatively high because of the regional nature of USAID/Senegal. The Mission Director is responsible for three countries, Senegal, Gambia and Guinea. The Crop Protection Manager has a program in six countries, the Food for Peace Office serves four countries and the Controller's Office services six countries. As a result the operational travel is probably higher than most Missions.

The changes from FY-78 to FY-79 and FY-80 in total operating expenses closely parallel the increases in man years of USDHs and local hire employees. From FY-78 to FY-79 the total USDH and local employee man years are projected to increase from 25 to 33%. Operating expenses excluding acquisition of lands and structures are projected to increase at slightly less than 25%. Between FY-79 and FY-80 total man years for both USDH and local hires are projected to increase by 10% and operating expenses excluding lands and structures are likewise projected to increase by 10%. It should be noted that the size of the AID program in the countries for which the funds are requested is actually expanding at a much greater percentage.

USAID/Senegal
Budget Supplement for
Guinea
Operating Expense Budget
FY-1980

	<u>FY-1978</u>	<u>FY-1979</u>	<u>FY-1980</u> <u>All Levels</u>
<u>PERSONNEL</u>			
<u>USDH</u>			
Salary and Benefits (Workyear)	(.7) 27.5	(1.0) 28.7	(1.0) 29.8
Cost of Living Allowance	1.5	7.1	7.5
Education Allowance (No. of Dependents)	(1) 6.4	(1) 6.7	(1) 7.0
Transportation and Travel	17.0	8.5	27.5
Subtotal	<u>52.4</u>	<u>51.0</u>	<u>71.8</u>
Local National Employees			
Salary and Benefits	(2.5) 15.4	(3.3) 23.3	(3.3) 25.6
Contract Personnel			
Salary and Benefits	-	-	-
Total Personnel	<u>67.8</u>	<u>74.3</u>	<u>97.4</u>
<u>HOUSING</u>			
Land & Structure Acquisition	-	-	-
Rent, Utilities, Renovation & Maint.	14.2	21.5	18.0
Furnishing and Equipment	-	2.3	2.4
Mission Director Expenses	-	-	-
Total Housing	<u>14.2</u>	<u>23.8</u>	<u>20.4</u>
<u>OFFICE OPERATIONS</u>			
Land & Structure Acquisition	-	-	-
Rents, Utilities, Renovations & Maint.	0.2	0.3	21.2
Furnishing & Equipment	-	2.5	3.0
Freight	-	2.5	1.0
Communications	0.5	1.0	1.5
Security (All Guard Service)	6.0	6.3	6.7
Operational Travel (Including Charter)	4.5	5.3	6.5
Vehicle Purchase and Maint.	0.2	10.3	11.9
Other Supplies & Materials	0.2	0.3	0.4
Other	0.3	0.7	1.0
Total Office Opr.	<u>11.9</u>	<u>29.2</u>	<u>53.2</u>
TOTAL MOB	<u>93.9</u>	<u>127.3</u>	<u>171.0</u>

Guinea - Title I Narrative

Appropriation: PL-480 Title I

The Guinea FY 80 Title I program is proposed for eight million dollars which will maintain U.S. concessional sales of rice, flour and vegetable oil at slightly higher levels than average food assistance approved in recent years. The GOC has indicated interest in increasing food assistance. There are humanitarian and foreign policy reasons which make us wish to be as responsive as possible. At these levels we do not believe additional concessional sales will act as a disincentive to agricultural production. This Title I program will alleviate Guinea's difficulties in feeding the total population, particularly in meeting the basic food requirements of the neediest strata of Guinea's urban poor while maintaining sufficient incentive for the Government to improve marketing and production policies that inhibit the agricultural sector and for it to pursue improved human rights practices.

In addition to human-rights and humanitarian reasons, the Guinea program is justified by foreign policy considerations and the proposal will, as a consequence, not include generally required analysis to justify Title I sales. The use of currency generated by the sales agreement will adhere to Title I strategies by linking food aid to development objectives with particular emphasis on increased agricultural production, improved food distribution and self-help measures.

The USG has provided food assistance to Guinea since 1959, a total value in excess of \$71 million, thereby demonstrating United States commitment to helping developing countries and providing evidence of U.S. interest in Guinea. This assistance will continue to provide foreign exchange support to provide incentive to pursue mutually desirable development goals and contribute to a food supply otherwise unable to meet the demands of the population.

The interest terms of the Title I sales agreement, given the expected increase in GOC hard currency earnings from mineral exports, will not constitute a burden on Guinea's currency resources, and the government has been able to initiate loan repayments on past Title I agreements. The government continues to pursue the high priority goal of increasing agricultural production and is making an appreciable effort to comply with the self-help and provisions contained in Title I agreements reached with the USG. Despite this effort to improve the budgetary and food position, rice production in Guinea will continue to fall short of need and the nation's financial position although benefiting from a favorable balance of trade, is still weak and suffers an overall decline due to debt servicing requirements, decreases in capital inflow, and the government's dependence on imported commodities.

COUNTRY PROGRAM: PL-480 TITLE I - GUINEA

PL 480 Title I Agreements and Shipments

Commodity	FY 1978		Past Year Estimate°		Current Year Request		FY 1979 Carryover to FY 198Y
	Agreements (MT)	Shipments (MT)	Shipments (MT)	Carryover to FY 19CY (MT)	Agreements	Shipments	
Rice	5,400	5,400	-	-	10,000	10,000	
Flour	9,400	9,400	-	-	7,500	7,500	
Vegetable Oil	2,800	2,800			2,000	2,000	
Budget Year Request FY 80							
Commodity	Agreements (MT)	Shipments (MT)	Shipments (MT)	Carryover to FY 198Y+1 (MT)			
Rice	16,500	16,500					
Flour	11,000	11,000					
Vegetable Oil	3,000	3,000					

° Instructions : All estimates should be in thousands of metric tons of the raw commodity, except cotton which should be in thousands of bales. For dollar amounts, use attached price list and show in millions. Dollar values are only required for Current Year and Budget Year