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**USAID/Bissau**

**Refinement of the A.I.D. Program  
Strategy and Performance Reporting System  
For Guinea-Bissau**

**March 1992**

***Presented to:***

U.S. Agency for International Development  
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***Presented by:***

USAID/Bissau  
Guinea-Bissau

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## **1. OVERVIEW OF MISSION STRATEGY**

### **A. Guinea-Bissau Context**

USAID/Bissau's strategy is being refined at a time of enormous political, structural and economic change. After a decade of mismanaged socialist one-party rule that resulted in declining incomes and deteriorating infrastructure, the GOGB began to open its economy to individual initiative. A series of monetary, fiscal, structural and market liberalization reforms were initiated in the mid-1980s that unleashed a burst of economic activity and produced significant growth. While growth was substantial, 1987-90 annual GDP growth rates above 5% vs annual population growth rates of less than 2.5%, reform does not yet appear to have led to the continuing long-term investment required for sustainable economic growth.

Complementary to its economic reform initiatives, government recently declared its commitment to broaden participation in governance by instituting multi-party democracy for the first time in the country's history. "The Year of Democracy," 1991, marked the formal beginning of a two-year transition to a pluralistic, open political system. Constitutional revision, new laws on freedom of the press, and a new law on political parties resulted in six parties now actively competing against each other in the national elections scheduled for November of this year.

While many consider structural adjustment to be difficult to achieve during a period of increased pluralism, the GOGB is attempting both and more. Guinea-Bissau is perhaps the only African nation simultaneously to take on:

1. stabilization, structural adjustment, sectoral reform, and market liberalization;
2. constitutional and electoral reform to permit broader participation in political and economic processes;
3. restructuring government from one-party control to multi-party democracy with a separation of powers; and
4. restructuring of the legal and regulatory systems to enable the private sector to play the leading role in economic growth.

Mission strategy is designed to take advantage of this rare convergence of opportunity by helping the people of Guinea-Bissau translate these impressive political and economic reform initiatives into sustainable systems that will fundamentally change the relationship of government to its people and to the economy. Instead of directing economic activity, the government will play the role of encouraging the private sector. The policy, legal, and regulatory mechanisms of government will be directed at supporting entrepreneurial initiatives. The private sector is to become the locomotive of sustainable, broad-based growth. People are to participate in the process both economically and politically.

## B. Program Rationale

The Mission believes that the reforms adopted by the GOGB, particularly market liberalization, have almost run their course in sparking economic growth. GDP growth in 1991 only registered 2.8% and is projected to be somewhat similar in 1992. To fully realize the goals of the reforms, trade and investment must be increased. The Mission, as well as the World Bank, other donors, the Guinea-Bissau private sector and the GOGB believe that sufficient private investment has not been forthcoming in Guinea-Bissau because of a lack of confidence in the policy, legal and regulatory environment. Until policy is widely understood and accepted, property rights are respected, contracts enforced, and the government perceived as being supportive of private sector investment, the scale of investment required to propel Guinea-Bissau forward will remain absent.

Present economic policy is almost exclusively set by the World Bank and IMF and "accepted" by the GOGB. On the other hand, present legal, regulatory and judicial systems are a hybrid of Portuguese colonialism, with a socialist overlay, that lately have been allowed to atrophy under the current "laissez-faire" regime. Regulatory systems are burdensome, and judicial and regulatory enforcement haphazard. Unpredictability associated with this hodgepodge of government oversight/control remains a disincentive to increased investment.

The GOGB has demonstrated its desire to encourage private sector business and enhance opportunities for growth. Progress during the past six years in adopting appropriate economic policy reforms is evidence of its commitment. However, implementation of sound legal, regulatory, and judicial reform will be far more demanding than the macro-economic and market liberalization reforms adopted to date. In light of the difficulty other African nations have had in implementing reforms, the Mission has determined that the achievement of a sustainable growth objective is possible only when policy implementation is supported and when it is also accompanied by supply-side assistance provided to local business. Accordingly, the Mission strategy emphasizes helping the GOGB to develop processes for policy implementation while assisting entrepreneurs to take advantage of the resultant improved policy, legal and regulatory environment as it pertains to trade and investment.

Increased participation is the organizing theme of the process the Mission hopes to help the GOGB develop to formulate and implement policies. Scott Spangler's (AID/AA/AFR) recent policy cable entitled "Beyond Policy Reform -- A Concept Paper" focuses:

attention on creating a sustainable process for sound development policy. There are two basic conclusions: (1) non-governmental entities must be drawn into assessing, formulating and implementing development strategies in all sectors. This creates an indigenous constituency for policy implementation and reduces the importance of donors as strategists and watchdogs. (2) Special attention must be given to promoting private entrepreneurship. Without an expanding economic base created by entrepreneurship, the resources needed to sustain human development will not be generated and poverty will not be alleviated.

The Mission feels policy adoption and implementation efforts must avoid "top down" approaches. Policy reform efforts foisted on nations by multilateral lending institutions and other

donors that lack widespread support will not stand. This orientation is particularly relevant in the context of Guinea-Bissau, whose citizens have no experience in truly participatory government processes and have never experienced a government fully supportive of their entrepreneurial initiatives. As a result, current political participation is low and entrepreneurialism is thwarted--as one would expect from a former colony and one-party Socialist state. Thus, in addition to assisting the GOGB in developing a participatory process for improving the environment for trade and investment, the Mission also hopes to undertake activities that: foster participatory attitudes and expectations, develop business skills in Guinea-Bissauan investors, and strengthen their entrepreneurial activities. This presents a significant challenge to the Mission, but one it feels is essential to confront.

### **C. Program Goal and Strategic Objective**

The full range of changes contemplated by the government will not be institutionalized in the period of a CPSP. But, the Mission feels that it can provide crucial assistance during this transition that will have measurable impact on people's lives, if it focuses its efforts on increasing private sector trade and investment.

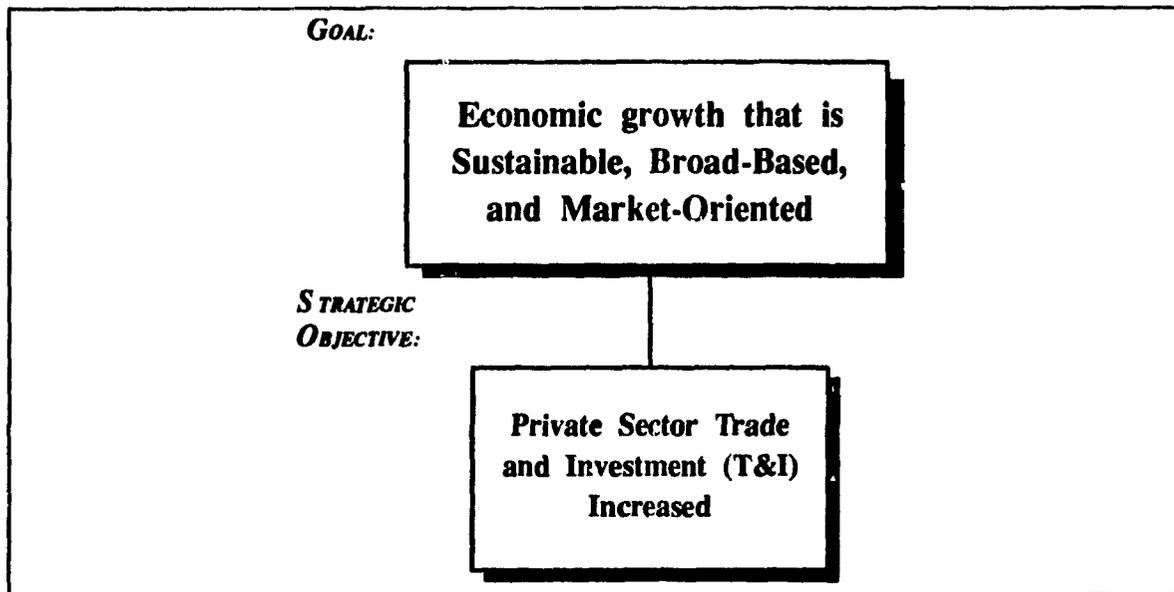
Persistent balance of payments deficits, expansionary monetary policy, lax fiscal policy, and disinvestment in the country since independence had resulted in an unstable economy, declining personal incomes, and virtually non-existent social and physical infrastructure. Economic reforms initiated in the mid-1980s have yet to result in increased investment that is sustainable. The Mission feels that sustained growth (the program's goal) can only occur if private sector trade and investment increase (the program's strategic objective). Critical sector priorities for such increased private trade and investment and, thus, economic growth are: (1) the production, processing and marketing (domestic and/or export) of agricultural, fisheries and forestry products; (2) commerce and (3) services, both of which are required to support and encourage increased investment in production, processing, and marketing.

If the trends in investment and trade since the mid-1980s can be turned upward, economic growth that is broad-based and sustainable is possible. Without such increased private sector trade and investment, and the resulting economic growth, the Mission feels that increased investment in social and physical infrastructure will remain donor-dependent and unsustainable by the GOGB. The Mission's goal and strategic objective of the program are summarized in the top portion of the program objective tree presented in Figure 1 (the complete objective tree is presented in Annex A).

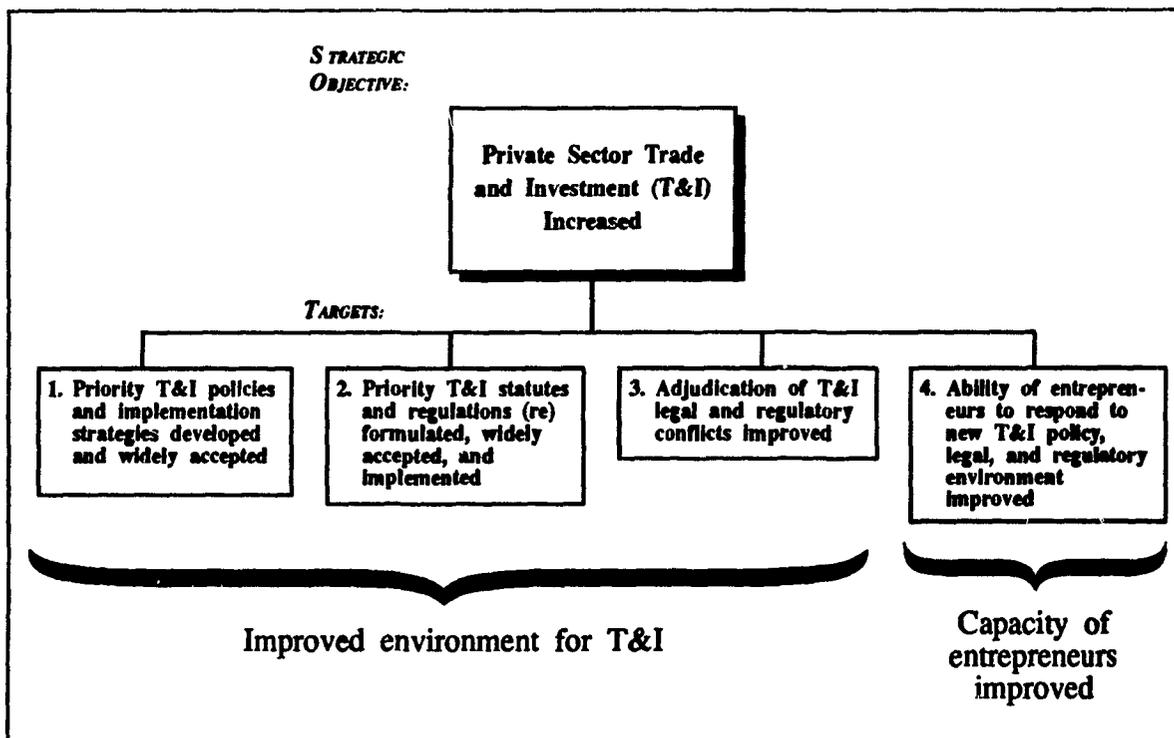
### **D. Program Targets**

The GOGB is committed to its ambitious reform agenda. The Mission hopes to provide strategic assistance to facilitate the reform process and keep it on track. Implementation of policy reform in the context of structural adjustment and increasing pluralism will require energetic attention to the process of change. It is for this reason that two-thirds of the Mission's activities focus on assisting the GOGB to establish sustainable systems and institutions of governance that are supportive of private initiatives and will lead to increased investment and trade. The outputs of those activities are described in the program targets included in Figure 2.

**Figure 1: Goal and Purpose**



**Figure 2: Strategic Objective and Targets**



The objectives that must be accomplished to create those outputs are described in the program sub-targets, detailed in Section 3-E, below.

Target 4 is intended to improve the ability of entrepreneurs to take advantage of the new policy incentives, legal assurances, and regulatory relief fostered by program targets 1-3 in order to invest, expand their business activity, and increase trade. Achievement of the objectives stated in targets 1-3, taken together, will result in a policy, legal and regulatory environment conducive to investment and trade.

Given the many competing political and economic needs, it is essential that the GOGB determine which policies it intends to pursue. The Mission expects the GOGB to develop a list of priority areas for policy attention, which will probably include, but not be limited to, land tenure, a commercial code, executive regulations for a newly approved investment code, and constitutional revision. Once identified, a conscious effort will be made to help the GOGB plan the strategic management of implementation: identification of winners and losers, development of strategies to involve disinterested bureaucracies, and establishment of mechanisms to gain private sector input to and thus support and acceptance for the changes contemplated. These are the objectives of target 1.

Target 2 recognizes that "policy is what policy does." As recent Guinea-Bissau history has demonstrated, nominal adoption of policy reform can not affect investor confidence until it is translated into statute and/or regulatory detail. The rules of the game must be clearly and openly articulated and implemented. Economic growth from structural adjustment in Guinea-Bissau, the Mission argues, has reached a plateau and will not accelerate significantly in the absence of legal and regulatory reforms to encourage long-term investment perspectives.

Target 3 is meant to assist the GOGB provide teeth to the legal and regulatory changes adopted. Investors must have legal recourse to address conflict among business people. For example, a commercial code is not useful unless a business person can go to the legal system to enforce a contract. On the other hand, regulations must be streamlined to avoid excessive burdens on business. Achievement of program target 3 will indicate that a balance has been achieved between protecting business and societal interests and maximizing productive efficiency.

Mission assistance in the prioritization, strategic planning for implementation, formulation of statutes and regulations, and implementation of trade and investment policies can begin at any point in the process. In the case of commercial codes, the Mission will help the GOGB from the outset in determining policy. In the case of the investment code, the policy has already been established and Mission assistance will be focused on helping the GOGB develop relevant regulations and administrative procedures. Thus, the Mission will have to track policies through the different stages of implementation and target its assistance where it will be most useful.

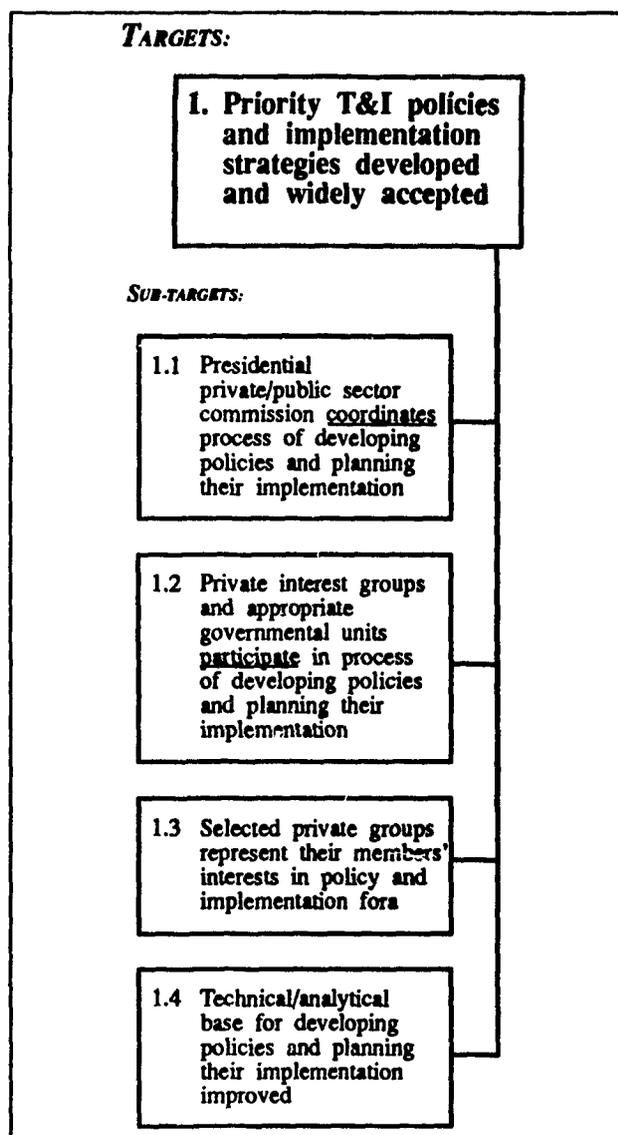
Target 4, while only one of four targets, is considered essential for program success. An improved policy, legal, and regulatory environment can only result in increased investment and trade if an adequate supply-side response is possible. Guinea-Bissau's growing number of entrepreneurs must have sufficient information on opportunities, business skills, networking opportunities, and awareness of changing regulations to take full advantage of the reformed business climate. Targets 1-3 involve work with private sector groups and individuals to encourage their participation in the processes of designing and executing reform. But, activities in support of these targets will ensure that program impact extends beyond the capital to a cross-section of society. Training, technical assistance, and workshops to disseminate research and analyses and investment/business opportunities are planned throughout the country so that all types of entrepreneurs (the more modern, the more traditional, and foreign) will have the opportunity to benefit from the reforms and contribute to increased economic growth.

## E. Program Sub-Targets

As described above, Mission activities fall into two general categories, those designed to facilitate a process that will produce improved policies and their implementation (targets 1-3) and those that will promote a supply-side response by the private sector (target 4). The sub-targets indicate the nature of the objectives of Mission interventions and are described on the following pages in relation to the targets they support.

The sub-targets appearing beneath target 1 in Figure 3 represent the necessary and sufficient objectives that must be accomplished to achieve the target. Taken together, the items comprise a process that the Mission hopes will be institutionalized by the GOGB for ongoing policy-making and implementation. The process will be coordinated by a private/public-sector commission established by President Vieira to help the GOGB set policy priorities among competing interests and develop strategies to implement them (sub-target 1.1). Such policies and strategies will only be sustainable if a large degree of participation among both public and private interest groups in the formulation and planning process is encouraged (sub-target 1.2). In addition to meetings held by the commission and its technical arm, the Policy Analysis Unit (PAU), outreach sessions will be held throughout the country to elicit diverse input for the process. To bolster the capacity of non-governmental institutions to represent private sector interests among policy makers, the capacity of trade associations to present memberships' interests will be improved (sub-target 1.3). In addition, technical assistance will be provided to improve the analytic base upon which decisions are taken (sub-target 1.4).

Figure 3: Target 1 and Its Sub-Targets



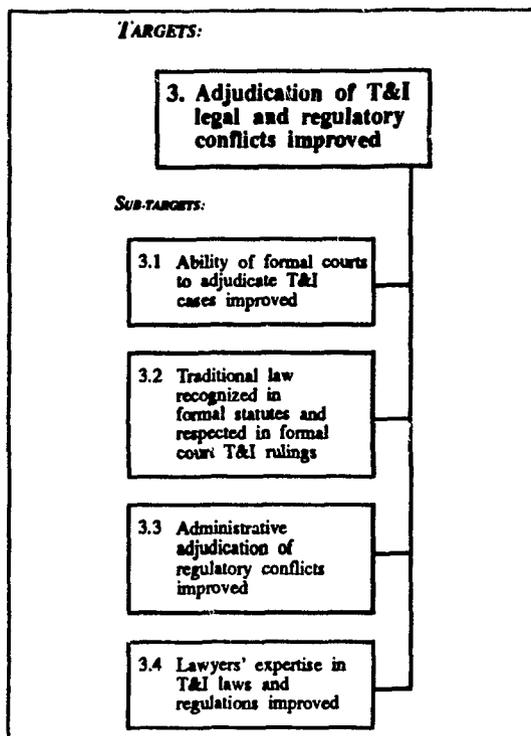
The sub-targets appearing beneath target 2 in Figure 4 describe the process, which parallels the process for achieving target 1, by which the statutes and regulations for priority laws dealing with trade and investment will be developed. Once again, there is emphasis on achieving wide participation among private sector and public sector groups (sub-target 2.3). In this instance, there are also two institutional development efforts: one within the National Assembly (2.1), and the other within the unit that provides technical analysis to law makers and drafts legislation

(2.2). Considerable technical assistance and training will also be supplied to improve implementation of T&I regulations (2.4).

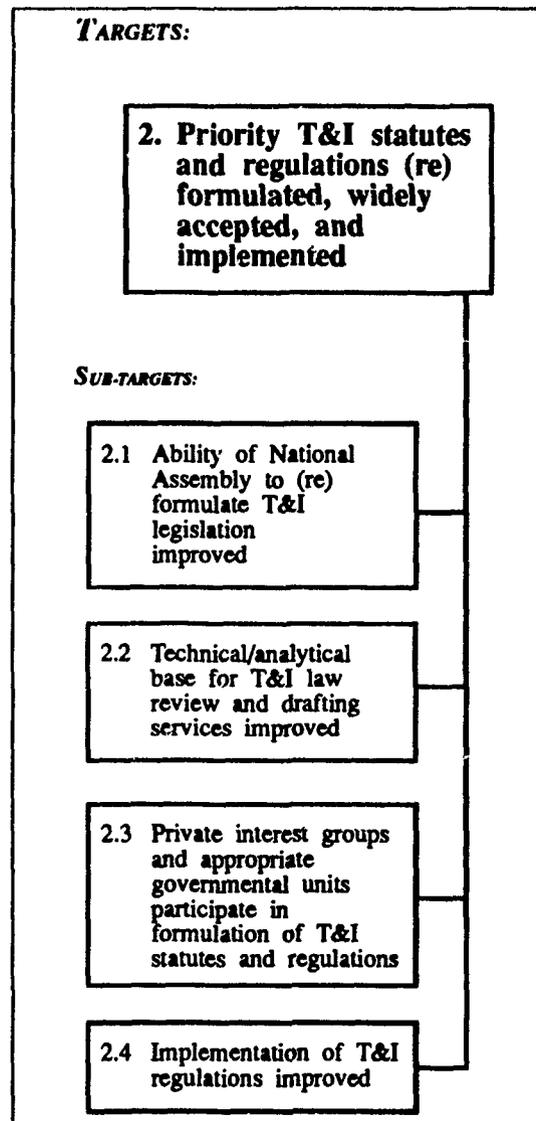
The sub-targets appearing beneath target 3 in Figure 5 describe the Mission's approach to improving adjudication of T&I conflicts. Here, the Mission will provide a range of technical assistance, training and other assistance to improve the capacity of the court system to adjudicate trade & investment matters (3.1) and to ensure that traditional law is incorporated into emerging legislation and acknowledged in formal court hearings (3.2). Technical assistance will also be provided to ministries responsible for establishing tribunals to adjudicate regulatory conflict (3.3). On the non-governmental side, lawyers will be trained in trade and investment law and related regulations to enable them to adequately represent their clients in trade and investment matters (3.4).

The sub-targets considered necessary and sufficient to support a supply-side response to the improved legal, political, and regulatory environment

**Figure 5: Target 3 and Its Sub-targets**



**Figure 4: Target 2 and Its Sub-targets**



developed through the first three targets appear under

target 4 in Figure 6. The Mission intends to improve existing trade associations' ability to provide training, technical assistance, networking, and other support services to entrepreneurs throughout Guinea-Bissau (sub-target 4.1). These institutions will also serve as information clearinghouses for trade and investment matters. Through sub-target 4.2 the Mission will develop active trade and investment promotion activities in Guinea-Bissau (4.2). The Mission has not yet determined the agent for these activities, but it is likely to be accomplished through a combination of the Chamber of Agriculture, Industry and Commerce, the investment promotion unit currently within the Ministry of Finance, and short-term technical assistance. In addition to the above, the Mission will supply technical assistance to develop

the analytic base for better understanding private sector potential and for identifying projects considered important to promoting a supply-side response (4.3). These could include feasibility analyses for specific private sector investments, project appraisals for other donors to finance, or sector constraints analyses for GOGB/donor consideration.

## 2. CROSS-CUTTING ISSUES

A cross-cutting issue is a central concern that permeates most programmatic activity, but which does not constitute a distinct program focus. It can be a way to describe a mode of intervention, or it can represent a priority that is present in all objectives. Below are presented the cross-cutting issues developed by the Mission:

**A. GOGB role in productive activity.** In all of its programming decisions and actions, the Mission will try to encourage the GOGB to **support**, rather than be an agent of, productive activity. It should use its resources to foster private sector initiatives rather than displacing them by providing goods and services itself that are better provided by the private sector. In administrative activity it should strive to **facilitate** business transactions rather than hamstring them through bureaucratic or legal obstacles.

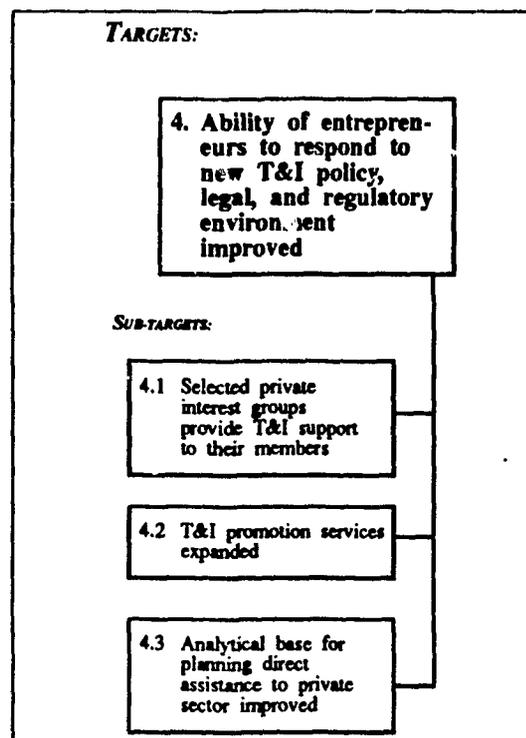
**B. Strategic Management.** The Mission believes that successful and sustainable implementation of trade and investment policies will require intensive and persistent attention to strategic management of the implementation process by the Guinea-Bissauans. As described in the previous section, the Mission hopes to strengthen the GOGB's ability to apply strategic management techniques to facilitate the policy implementation process.

**C. Broad Participation.** In order for trade and investment initiatives to be widely accepted and yield broad-based benefits to the people of Guinea-Bissau, there must be wide participation in their formulation and implementation. For this reason, the Mission views participation (by public- and private-sector organizations, traditional and non-traditional groups and individuals, etc.) as an integral part of its program. The first two targets, for example, utilize increased participation to shape the decision-making process and to monitor progress.

## 3. TARGETS OF OPPORTUNITY

A target of opportunity is generally considered an objective or activity incidental to the A.I.D. field mission's basic program strategy that is nevertheless included in its portfolio for historical, political, humanitarian or public relations reasons. The Mission has identified two

Figure 6: Target 4 and Its Sub-targets



targets of opportunity that relate to the Mission's main strategic focus, but which do not constitute separate objectives, as follows:

**A. Assistance with transition to democracy.** Like many countries around the world, Guinea-Bissau is in the process of shedding its Marxist ideology -- an ideology that has shaped the country's political, economic and social structure. This commitment to change is not only reflected in GOGB decisions to liberalize the economy, but also in the recent announcement of multi-party elections for the national legislature and presidency in late 1992. The A.I.D. Mission has been approached by the GOGB -- and intends to be responsive to its request -- to provide technical assistance and commodities to facilitate these upcoming elections.

**B. Assistance with social infrastructure.** The strength of the supply-side response to the improved trade and investment environment developed through the Mission's main strategic activities can be affected by the health, education and well-being of the Guinea-Bissauan people. Although several other donors are active in the social sectors, the Mission may provide limited assistance in this sector through activities such as AIDS prevention and other health, population and education interventions.

#### **4. PROGRAM INDICATORS**

##### **A. Overview**

Data, of almost all kinds, are remarkably scarce and unreliable in Guinea-Bissau. Measuring program impact therefore poses a distinct challenge to the Mission. Although little data to measure program impact is available from existing data sets, the Mission plans to make extensive use of data from recent and upcoming World Bank surveys that are designed to measure the impact of structural adjustment on households. For any data requirements beyond this, however, the Mission will most likely use project resources, or develop the capacity of assisted institutions, to measure impact.

Indicators measuring impact at all levels of the Mission's program are featured in the program logical framework that appears in Annex C.

Some project-level indicators are included in the logframe to assist in the concurrent design process for the Mission's new trade and investment project. As a result, more indicators than are probably appropriate for program reporting appear in the logical framework; it is expected that a subset of these indicators will be used for future Mission APIs. The Mission exerted considerable effort in the selection of indicators to ensure that data collected would provide Mission management with timely feedback on: people-level impact, national economic and institutional change, and implementation progress at the program level. Data gathered will be used to support Mission decision-making, to inform Africa Bureau of Mission progress through the annual Assessment of Program Impact (API), and to supply data to the PRISM system for reporting to Congress.

## **B. People-Level Impact**

DFA-authorized and financed activities, such as those that comprise the Mission's program, must impact on certain "critical sectors," such as agriculture, and must demonstrate "people-level" impact. This responds to Congressional concern that A.I.D.'s interventions have material impact on growth and also impact on the poor people for whom assistance was originally allocated. Since a large share of the Mission's program focuses on government's support for private initiative and increased trade and investment, one might expect people-level indicators to be difficult to identify. However, the Mission feels that it will be able to trace the impact on peoples' lives of both improved governance and of more direct entrepreneurial support. This is because the critical sectors in which increased trade and investment will lead to economic growth that is broad-based and sustainable are: (1) the production, processing and marketing (domestic and/or export) of rice, cashews, fruits and vegetables, and forestry and fisheries products; (2) commerce, to provide broad access to inputs required for increased production, processing and marketing, and to make available the consumer goods without which there is little incentive to work harder, produce and market more; and (3) services, to support production, processing and marketing activities, and, again, also to satisfy consumer demands. In Guinea-Bissau, the great majority of the population is involved directly or impacted indirectly by exactly these activities.

The people-level impacts of USAID/Guinea-Bissau's program can thus be measured at all levels of its Objective Tree. Because the Mission feels that its program must affect rural areas as well as the capital in order to be considered a success, the selected indicators are intended to reveal whether improvements permeate rural areas. Where possible, the degree to which beneficiaries differ by gender will also be tracked. At the goal level, per capita GDP has been identified as one of the indicators of economic growth. Other indicators measure direct impact on rural households and sustainability. Measures of success at the strategic objective level are intended to demonstrate the enhanced ability and desire of rural families to participate in domestic investment and cash-based trade. Participation in monetary trade will be measured by the increase in rural households reporting cash income, the sale of surplus production, and cash purchases. Investment will be reflected in an increase in percent of rural households reporting the purchase of farming tools and/or inputs. At the target level, people-level impacts will accrue through entrepreneurs' improved ability, as a result of more information, training and technical assistance, to respond to market cues and the evolving policy, legal and regulatory environment in Guinea-Bissau.

The foundation upon which much of the Mission's program strategy is constructed is increased participation in governance by groups and individuals. This is demonstrated by the high priority assigned to participation at the sub-target level and by the desire to support the country's transition to democracy, as described in the first target of opportunity. The form, quality and implementability of the policies and statutes that result from the Mission-supported process rely on the active involvement of Guinea-Bissau's various private interest groups and individuals. Such participation is measured by the number and types of groups presenting their input into the policy and regulatory arenas and by individuals making their choices at the ballot box. In many cases, this new process will allow individuals and groups their first real opportunity to have a voice in governmental decisions that will affect their lives in the long-term.

Finally, the Mission intends to work with the World Bank in its comprehensive effort to determine the impact of structural adjustment throughout Guinea-Bissau. Access to this data set, and opportunities to augment the interview instrument to answer USAID-specific concerns in the future, will enable the Mission to explore program impact on a full cross-section of the population as its program evolves.

### **C. National Economic and Institutional Impact**

The previous section describes how improvement in peoples' lives during the period of the program will be tracked. But sustainable long-term growth can only be predicted through improvements in Guinea-Bissau's human resource base, its economy and institutions, and its systems of governance. Relevant indicators appear at the goal, strategic objective and target levels.

At the **goal level**, governmental restraint in resource allocation will be reflected in a lack of price distortions. A more productive import composition and increased exports should result in reduced balance of payments deficits.

At the **strategic objective level**, investment should increase relative to GDP as should production and export value and volume of Guinea-Bissau's principal crops. Selection of cashews, fish, wood and fruits as indicators of program progress reflects the agricultural and critical sectors' focus of the Mission's expected impact.

Indicators at the **target level** -- targets 1-3 taken together -- will show the extent to which the environment for trade and investment has been improved through better policy, enabling laws, and more effective and transparent implementation of regulations and enforcement of laws. Indicators for target 4 measure improvements in the human resource level.

Indicators at the **sub-target level** measure institutional improvements related to T&I in the legislature, judicial system, and among targeted private groups. It is also at this level that the Mission will be able to measure the extent to which participatory governmental processes are being employed to set policy, make laws, and ensure fair and efficient implementation.

### **D. Implementation Progress**

The strategy contemplates simultaneous activity on several fronts as different policies are advanced and entrepreneurial response is supported. To manage the timing and scale of program activity, reliable indicators to reveal the "pulse rate" of implementation will be required. The Mission has attempted to choose indicators that respond to implementation progress (or lack of progress) to help Mission management coordinate activities. It is also intended that these indicators can be used to hold Mission staff and contractors accountable for progress at the sub-target, target, and strategic objective levels, as appropriate to their levels of responsibility.

## 5. DIFFERENCE BETWEEN PRESENT AND FORMER STRATEGIES

The Mission views the program strategy described in this report as a refinement of, rather than a deviation from, the approved strategy that appears in the FY1991-1995 CPSP (which, for reference, is summarized in Appendix B of this report).

The program goal of "economic growth that is sustainable, broad-based and market-oriented" is virtually identical to that of the previous program. The earlier program's two sub-goals, however, pertaining to agriculture's contribution to private sector growth, have been eliminated. This decision does not represent a de-emphasis on the role of agriculture in Guinea-Bissau, but rather the recognition that nearly all private sector activity in the country is, and will continue to be, agriculture-based, which renders moot the distinction for the purposes of the objective tree.

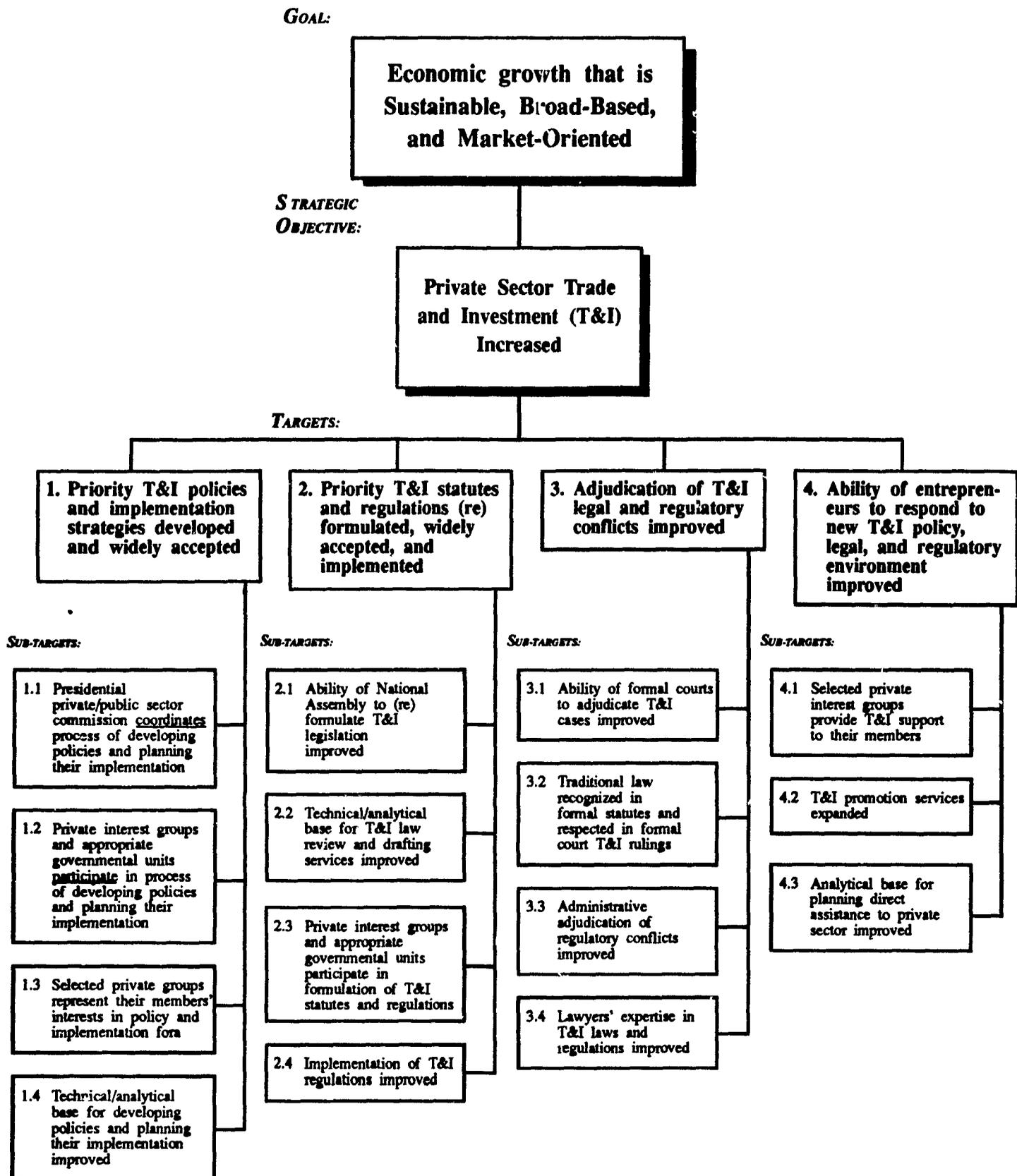
The strategic objective-level statements in the CPSP (supportive environment for private sector growth, and the strengthening of rural entrepreneurs) have been refined and moved down to the target level of the objective tree. In their place is now one strategic objective that more precisely reflects the overriding *raison d'être* of the program's activities. The new strategic objective, "private sector trade and investment increased," also has more immediate people-level significance, is more easily measured, and is more closely linked to economic growth than the two strategic objectives it replaces.

As stated above, the essence of the two strategic objectives from the old program objective tree has been moved one level lower on the new tree and then divided into four more-detailed targets. Three of these targets address: the identification of policy, regulatory and legal constraints to trade and investment; the development of strategies for removing these constraints; and the implementation/enforcement of necessary policies and regulations that support trade and investment. These are comparable to the former strategic objective 1. The fourth target seeks to improve the supply-side response to the changing trade and investment climate in Guinea-Bissau by equipping entrepreneurs with the skills and information they need to improve and perhaps expand their businesses. This target is directly comparable to the former strategic objective 2.

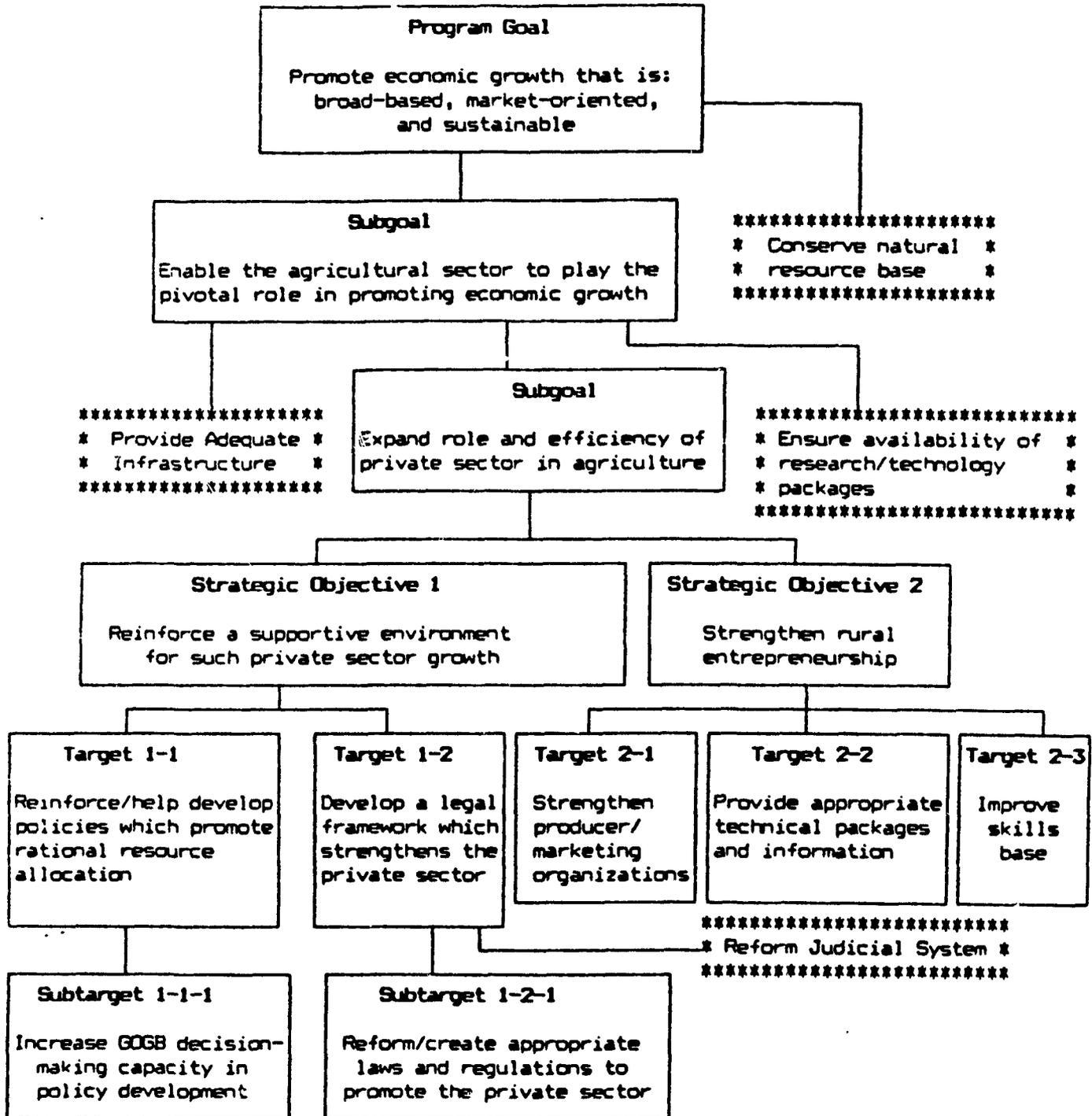
## 6. MANAGEMENT PLAN FOR MIS

Although many of the activities that comprise USAID/Bissau's Program are some months from start-up, the Mission will use the interim time to work toward constructing a management information system (MIS). This will include, but not be limited to: identifying the personnel (Direct Hire, PSC or consultant) to be assigned to managing the MIS; acquiring baseline data to measure the program's long-term impacts; and working with the World Bank to include in its next survey instrument questions that would assist in program monitoring and evaluation.

# USAID/Bissau Program Objective Tree



OAR/BISSAU: PROGRAM LOGFRAME



Note: Boxes in asterisks indicate external conditions/activities which are outside the manageable interest of OAR/Bissau.

**USAID/GUINEA-BISSAU PROGRAM LOGFRAME**

February 17, 1992

NARRATIVE	ASSUMPTIONS	INDICATORS	DATA SOURCES	RESPONSIBILITY
<p><b>Goal:</b></p> <p>Economic Growth that is Sustainable, Broad-Based and Market-Oriented</p>	<ol style="list-style-type: none"> <li>1. GOGB continues to implement IMF and World Bank stabilization, structural adjustment and other economic reforms.</li> <li>2. Orderly political transformation to multi-party democracy proceeds.</li> <li>3. Donor support continues approximately at current levels.</li> <li>4. No serious drought or delay in arrival of rain.</li> </ol>	<ol style="list-style-type: none"> <li>1. Real per capita GDP grows in excess of 2.5% per annum.</li> <li>2. Balance of payments deficit as percent of GDP decreases by X%.</li> <li>3. 60% of rural households report increased incomes over previous year.</li> <li>4. Number of administratively determined prices is not increased; and those prices that are administratively determined reflect international prices/costs.</li> </ol>	<ol style="list-style-type: none"> <li>1. IBRD/IMF</li> <li>2. Central Bank and Ministry of Finance</li> <li>3. IBRD Annual Survey of Households</li> <li>4. IBRD/IMF</li> </ol>	<p>Contractor</p>
<p><b>Strategic Objective:</b></p> <p>Private Sector Trade and Investment (T&amp;I) Increased</p>	<ol style="list-style-type: none"> <li>1. World and domestic real prices continue to justify increased T&amp;I in rice, cashews, fish, wood, and fruits and vegetables.</li> <li>2. Donor/GOGB support for physical infrastructure (roads, bridges, ports, telecommunications, etc.) is at least maintained at 1991 levels.</li> <li>3. Donor support for social sectors increases significantly in the medium-term.</li> <li>3. Sufficient financing is available to support increased T&amp;I.</li> </ol>	<ol style="list-style-type: none"> <li>1. % of rural households reporting:                         <ol style="list-style-type: none"> <li>a) money income, b) part of production sold, and c) part of consumption purchased increased by ___% per year.</li> <li>2. Production, export volume and earnings from a) cashews, b) fish, c) wood, and d) fruits and vegetables increased by ___% per year.</li> <li>3. % of rural households reporting purchase of farm implements and/or modern inputs increased by ___% per year.</li> <li>4. Private investment reaches ___% of GDP by end of program.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1 &amp; 3. IBRD Annual Survey of Households</li> <li>2 &amp; 4. Central Bank, MOF, Min. of Ag., and IBRD</li> </ol>	<p>Contractor</p>

NARRATIVE	ASSUMPTIONS	INDICATORS	DATA SOURCES	RESPONSIBILITY
<p><b>Target 1:</b> Priority<sup>1</sup> T&amp;I Policies and Implementation Strategies Developed and Widely Accepted</p>		<p>1. # of priority T&amp;I policies published. 2. # of T&amp;I strategic policy implementation plans, including constraints analyses and budgets, drafted. 3. # and type of private interest groups that endorse each policy/plan.</p>	<p>Presidential Commission and PAU records</p>	<p>Contractor</p>
<p><b>Sub-Target 1.1</b> Presidential Private/Public Sector Commission Coordinates Process of Developing Policies and Planning their Implementation</p>		<p>1. Presidential Commission, with private and public members (gender) and a policy analysis unit (PAU), is established. 2. # of formal Commission meetings with quorum per year. 3. # of formal PAU technical meetings per year.</p>	<p>Presidential Commission and PAU records</p>	<p>Contractor</p>
<p><b>Sub-Target 1.2</b> Private Interest Groups<sup>2</sup> and Appropriate Governmental Units Participate in Process of Developing Policies and Planning their Implementation</p>		<p>For each priority area: 1. # and type of private interest groups represented in at least two formal meetings per year (separately for Commission and PAU.) (by gender) 2. # and type of governmental units represented in at least two formal meetings per year (separately for Commission and PAU [by gender]) 3. # of rural people contacted through PAU outreach visits (by gender).</p>	<p>Presidential Commission and PAU records</p>	<p>Contractor</p>

<sup>1</sup> Priority T&I areas include, but are not limited to: land tenure, commercial codes, the investment code, and constitutional revision

<sup>2</sup> Private interest groups include, but are not limited to: The Chamber of Commerce (CofC), a local research organization (INEP), Traditional Law Institute (TLI) the Bar Association (OAGB), various environmental, producer and other service and trade groups.

NARRATIVE	ASSUMPTIONS	INDICATORS	DATA SOURCES	RESPONSIBILITY
<p><b>Sub-Target 1.3</b></p> <p>Selected Private Groups Represent their Members' Interests in Policy and Implementation Fora</p>		<ol style="list-style-type: none"> <li>1. Membership increased, by group (by gender).</li> <li>2. # of papers and presentations provided, by group.</li> <li>3. # of policy development &amp; implementation committees on which each group has representation</li> </ol>	CofC and Selected Other Associations' Records	Contractor
<p><b>Sub-Target 1.4</b></p> <p>Technical/Analytical Base for Developing Policies and Planning their Implementation Improved</p>		<ol style="list-style-type: none"> <li>1. # and type of research/analysis documents considered and/or prepared, by source.</li> <li>2. # of person weeks of technical assistance provided, by type and source.</li> <li>3. # of researchers/analysts trained (gender).</li> </ol>	Presidential Commission, PAU and Project records	Contractor
<p><b>Target 2:</b></p> <p>Priority T&amp;I Statutes and Regulations (Re)Formulated, Widely Accepted and Implemented</p>		<ol style="list-style-type: none"> <li>1. # of T&amp;I statutes (re)formulated.</li> <li>2. # of T&amp;I regulations (re)formulated and implemented.</li> <li>3. # and type of private sector interest groups that endorse each statute/regulation.</li> <li>4. # of firms complying with regulations increased.</li> </ol>	<ol style="list-style-type: none"> <li>1. Legislative and GELD records</li> <li>2. Ministry records</li> <li>3. private sector interest groups</li> <li>4. Ministry records</li> </ol>	Contractor
<p><b>Sub-Target 2.1</b></p> <p>Ability of National Assembly to (Re)Formulate T&amp;I Legislation Improved</p>		<ol style="list-style-type: none"> <li>1. # of T&amp;I committees established.</li> <li>2. # of legislators and support staff trained in T&amp;I.</li> <li>3. Legislative procedures and tracking system established.</li> <li>4. # of public hearings on T&amp;I legislation held.</li> </ol>	Legislative and GELD records	Contractor

NARRATIVE	ASSUMPTIONS	INDICATORS	DATA SOURCES	RESPONSIBILITY
<p><b>Sub-Target 2.2</b></p> <p>Technical/Analytical Base for T&amp;I Law Review and Drafting Services Improved</p>		<p>1. # of T&amp;I laws collected, indexed and codified.</p> <p>2. # of legal staff trained (gender).</p> <p>3. # of T&amp;I legal consistency reviews conducted.</p>	GELD records	Contractor
<p><b>Sub-Target 2.3</b></p> <p>Private Interest Groups and Appropriate Governmental Units Participate in Formulation of T&amp;I Statutes and Regulations</p>		<p>For each priority area:</p> <p>1. # and type of private interest groups participating in at least two legislative and/or regulatory hearings per year (by gender).</p> <p>2. # and type of governmental units represented in at least two legislative and/or regulatory hearings per year (by gender).</p> <p>3. # of rural people contacted through legislative-sponsored outreach visits (by gender).</p>	Legislature and GELD records	Contractor
<p><b>Sub-Target 2.4</b></p> <p>Implementation of T&amp;I Regulations Improved</p>		Private interest groups favorably evaluate implementation of regulations.	CofC and OAGB records	Contractor
<p><b>Target 3:</b></p> <p>Adjudication of T&amp;I Legal and Regulatory Conflicts Improved</p>		<p>1. T&amp;I formal court case load increased.</p> <p>2. # of administrative cases adjudicated increased.</p>	Court and Administrative Tribunal records	Contractor
<p><b>Sub-Target 3.1</b></p> <p>Ability of Formal Courts to Adjudicate T&amp;I cases Improved</p>		<p>1. # of court facilities handling T&amp;I cases increased.</p> <p>2. # of court officers, lay adjudicators and support staff trained in T&amp;I (gender).</p> <p>3. Judicial T&amp;I procedures and case tracking systems established.</p> <p>4. Private interest groups favorably evaluate court T&amp;I performance.</p>	Court, Project, CofC and OAGB records	Contractor

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NARRATIVE	ASSUMPTIONS	INDICATORS	DATA SOURCES	RESPONSIBILITY
<p><b>Sub-Target 3.2</b></p> <p>Traditional Law Recognized in Formal Statutes and Respected in Formal Court T&amp;I Rulings</p>		<p>1. # of laws adopted that make reference to role of traditional law.</p> <p>2. Private interest groups favorably evaluate formal courts' respect for traditional law.</p>	<p>GELD and TLI Reports</p>	<p>Contractor</p>
<p><b>Sub-Target 3.3</b></p> <p>Administrative Adjudication of Regulatory Conflicts Improved</p>		<p>1. # of appropriate administrative tribunals established.</p> <p>2. Private interest groups favorably evaluate performance.</p>	<p>GOGB Records and CofC and OAGB Reports</p>	<p>Contractor</p>
<p><b>Sub-Target 3.4</b></p> <p>Lawyers' Expertise in T&amp;I Laws and Regulations Improved.</p>		<p>1. # of lawyers trained in T&amp;I law and regulations (by gender).</p>	<p>Project records</p>	<p>Contractor</p>
<p><b>Target 4:</b></p> <p>Ability of Entrepreneurs to Respond to the New T&amp;I Policy, Legal, and Regulatory Environment Improved</p>		<p>1. # of entrepreneurs trained, and type of training (gender).</p> <p>2. # of entrepreneurs receiving T&amp;I research studies, analyses and feasibility studies (gender).</p>	<p>CofC, Selected Assns., and project records</p>	<p>Contractor</p>
<p><b>Sub-Target 4.1</b></p> <p>Selected Private Interest Groups Provide T&amp;I Support to their Members</p>		<p>For each group:</p> <p>1. # of people trained in technical/business administration (gender).</p> <p>2. # of people trained in entrepreneurship (gender).</p> <p>3. # people attending seminars and workshops (by gender).</p> <p>4. # of people receiving information bulletins (gender).</p>	<p>CofC and Selected Other Associations' Records</p>	<p>Contractor</p>
<p><b>Sub-Target 4.2</b></p> <p>T&amp;I Promotion Services Expanded</p>		<p>1. # of trade and investment missions to/from GB.</p> <p>2. # of T&amp;I publications disseminated in/outside GB.</p>	<p>CofC and Project Records</p>	<p>Contractor</p>

NARRATIVE	ASSUMPTIONS	INDICATORS	DATA SOURCES	RESPONSIBILITY
<p><b>Sub-Target 4.3</b></p> <p>Analytical Base for Planning Direct Assistance to Private Sector Improved</p>		<p>1. # of research studies and constraints analyses conducted.</p> <p>2. # of feasibility studies conducted.</p> <p>3. # of concept papers developed and distributed to others for possible financing</p>	Project records	Contractor

**Targets of Opportunity**

1. Assistance with Transition to Democracy
2. Assistance with Social Infrastructure (AIDS, Health, Population, Education)

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**COUNTRY DEV. STRATEGY STATEMENT (CDSS)**