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AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

1

DOCUMENT CODE

3

COUNTRY/ENTITY
GUINEA/Office of AID Representative

3. PROJECT NUMBER
675 0212

BUREAU/OFFICE

5. PROJECT TITLE (maximum 40 characters)

AFR/CCWA

06

PRIVATE AGRIBUSINESS PREPARATION

5. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
06 30 87

7. ESTIMATED DATE OF OBLIGATION
(Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY 814 B. Quarter 2 C. Final FY 815

3. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY 84			LIFE OF PROJECT		
	B. FX	C. L.C	D. Total	E. FX	F. L.C	G. Total
AID Appropriated Total	800		800	1,800		1,800
(Grant)	800		800	1,800		1,800
(Loan)						
Other						
U.S.						
Host Country		630	630		1,125	1,125
Other Donors)						
TOTALS	800	630	1,430	1,800	1,125	2,925

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROXIMATE DATE OF FUNDING	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
			1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	101	150	800		1,000		1,800	
(2)								
(3)								
(4)								
TOTALS			800		1,000		1,800	

10. SECONDARY TECHNICAL CODES (maximum 3 codes of 3 positions each)
840 070

11. SECONDARY PURPOSE CODE
730

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
A. Code
B. Amount

13. PROJECT PURPOSE (maximum 450 characters)

TO ASSIST THE GOG MEET FOOD NEEDS AND INCREASE AGRICULTURAL EXPORTS BY STRENGTHENING ITS CAPABILITY TO PROMOTE AND SUPPORT PRIVATE AGRIBUSINESS GROWTH AND DEVELOPMENT.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
1 2 8 5

15. SOURCE/ORIGIN OF GOODS AND SERVICES

300 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 11 page PP Amendment)

INCREASE LOP FUNDING BY \$1,000,000 TO TAKE ADVANTAGE OF VASTLY IMPROVED PROJECT IMPLEMENTATION CONDITIONS IN GUINEA AND TO COVER ADDITIONAL COSTS OF ESTABLISHING THE GOG NATIONAL AGRIBUSINESS PROMOTION OFFICE AND OF CONTRACTING FOR TECHNICAL ASSISTANCE WITH A U.S. FIRM. THESE ADDITIONAL FUNDS WILL BE ALLOCATED AS FOLLOWS: T.A. - \$422,00; PARTICIPANT TRAINING - \$330,000; LOCAL SUPPORT TO T.A.- \$90,000 AND SUPPORT TO NAPO - \$144,000.

17. APPROVED BY

Signature
Mark G. Wentling

Title
AID REPRESENTATIVE/GUINEA

Date Signed
MM DD YY
06 11 87

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY
| | | | | |

PROJECT PAPER AMENDMENT
PRIVATE AGRIBUSINESS PREPARATION PROJECT
(675-0212)

I. Summary and Recommendations

A. Summary Project Amendment Description and Findings

1. Summary Description

This project is the result of a dialogue between Guinea and the United States which began in June 1982, when the Guinean President Sekou Toure visited the U.S. This dialogue led to the fielding of a six-member U.S. private agribusiness task force (ATF) which visited Guinea in February and March 1983. This group identified and recommended several areas for investigation with regards to their agribusiness potential. The ATF also recommended the establishment of the National Agribusiness Promotion Office (NAPO). This office was created on December 31, 1983 and is presently located under the Ministry of Plan and Natural Resources.

This project was conceived in FY 1983 to provide institutional support and technical assistance to NAPO, to further study the areas of possible agribusiness investment potential that were identified by the ATF, to identify new targets of opportunity, and to formulate a strategy for developing a private agribusiness program in Guinea. These activities were designed to assist the Government of Guinea (GOG) develop a self-sustaining capacity to attract, interact with, and negotiate with primarily foreign agribusiness investors. The overall goal was and is to reverse Guinea's two-decade decline in food production and in the export of agricultural products.

This funding amendment will permit a more adequate and comprehensive pursuit of the above-named project objectives according to the much improved political-economic environment in Guinea that has developed following the end of 26 years of one-man, statist rule. This end was brought about by the sudden death of President Sekou Toure on March 26, 1984 and the take-over of the government by a more progressive group of military leaders on April 3, 1984. This new military government has committed itself to the promotion and development of the private sector (almost nonexistent in Guinea at present). Consequently, the new GOG fully supports the project and plans to augment the role of NAPO. The additional \$1.0 million requested under this amendment is required if these higher GOG expectations are to be realized and AID is to take advantage of this new and inviting situation.

PROJECT PAPER AMENDMENT No. 1
PRIVATE AGRIBUSINESS PREPARATION PROJECT 675-0212

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2. Summary Findings

The Project Amendment is ready for implementation and is judged technically, financially, socially and administratively sound.

B. Recommendations

1. Funding

It is recommended that an Agriculture, Rural Development and Nutrition grant of one million U.S. dollars (\$1,000,000) be authorized for obligation in FY 1985 to the Government of Guinea for the Private Agribusiness Preparation Project, 675-0212. This amendment will increase the AID total life of project funding from \$800,000 to \$1.8 million. The Project Completion Date remains unchanged at June 30, 1987.

2. Geographic Code

The Project Authorization Amendment and the Project Agreement should specify that, except as AID may otherwise agree in writing:

a. Goods and services (except for ocean shipping and vehicles) financed by AID under this Project Amendment will have their source and origin in the Cooperating Country, and in countries included in AID Geographic Code 941.

b. Vehicles financed by AID under the Project Amendment will have their source and origin in Geographic Code 000 (United States) unless a waiver of this requirement is obtained.

c. Ocean shipping financed by AID under this Project Amendment will be financed only on flag vessels of the United States, the Cooperating Country, or countries included in AID Geographic Code 941.

3. Waivers

No new waivers will be required as part of this Project Paper Amendment.

C. Implementing Agency

1. AID Responsibilities

USAID/Guinea's Agricultural Development Office will assure overall management of AID's responsibilities under this Project Amendment. This office is staffed by the Agricultural Development Officer, who is the Project Officer for this Project, and by a U.S. contractor project assistant. These staff resources, which will be supplemented

by other USAID/Conakry staff members and by regional support staff from REDSO/WCA in Abidjan, Ivory Coast, are considered adequate to handle USAID/Guinea's administrative and monitoring responsibilities for this on-going Project, as amended.

2. Government of Guinea Responsibilities

The GOG agency responsible for overall implementation of this Project is the Ministry of Plan and Natural Resources. The GOG Project Officer is the Director General of NAFO which is under the authority of this ministry. The GOG will make officials from other concerned ministries available for participation in all project activities. The NAFO director is also assisted by a resident advisor provided under a project-funded institutional contract with a U.S. firm (Chemonics, Inc.).

II. Project Purpose

The project purpose remains the following: to assist the GOG meet food needs and increase agricultural exports by strengthening its capability to promote and support private agribusiness growth and development.

III. Project Amendment Background

Prior to gaining independence in 1958, Guinea was one of the most advanced French colonies in Africa, possessing a very productive agricultural sector. This high agricultural productivity was primarily due to abundant water resources, varied topography and large areas of fertile land. Since 1958 Guinea's agricultural production has suffered a drastic decline, with exports dropping to almost zero and food imports increasing by more than ten times. Domestic policies during this period have been a major contributor to this steady decline in agricultural production. These policies ignored the production incentive requirements and efficiencies of smallholder farmers and stressed the creation of state farms, collectivization and mechanization. Furthermore, post-independence GOG monetary and pricing policies have caused distortions that have resulted in siphoning off of much of this already reduced agricultural production through illicit channels and across borders.

A strong agricultural potential is not Guinea's only promising resource. Indeed, the country abounds in untapped mineral wealth, including large reserves of bauxite, iron, diamonds and gold. The success of the privately-owned, expatriate-run bauxite mining facilities have served to demonstrate to the GOG the benefits of free enterprise and have thus encouraged GOG policy-makers to begin reducing

government controls on the agricultural sector. This shift in GOG attitudes vis-a-vis the merits of a free enterprise system also led to growing overtures toward the West, especially toward the United States.

As discussed in the Summary Project Amendment Description, among the first and the most important of these overtures was the June, 1982 visit of President Sekou Toure to the U.S. and the subsequent formation of the six-person ATF. The ATF identified investment opportunities in Guinea which related directly to specific agricultural products, examined possible constraints on these investment opportunities, and analysed both the promise and the problems inherent in the growth of agribusiness in Guinea. The ATF visited Guinea between February 20 and March 5, 1983, concentrating its attention on the pre-designated fields of rice production and milling, marine fishing, smallholder coffee production, export of trypano-tolerant N'dama cattle, pineapples, sugar, and specialty crops. The ATF leader returned to Guinea in July, 1983, to present the final report. The dialogue on the merits of private enterprise continued when two GOG officials accepted an ATF invitation to visit relevant agribusinesses in the continental U.S., Hawaii, and Panama between August 20 and September 20, 1983.

In December 1983, the momentum and interest generated by these exchanges resulted in the establishment of NAFD, then located under the authority of the Prime Minister's Office. The changes in government which have occurred since April 3, 1984, offer new encouragement for the prospects of private agribusiness enterprises succeeding in Guinea. NAFD was moved under the authority of the Ministry of Plan and Natural Resources on January 27, 1985, and in this recently reorganized Ministry it will play a key role in attracting and coordinating private national and foreign agribusiness investment in Guinea.

IV. Project Rationale

The rationale of the FY 1983-1984 project was to continue the momentum created by the ATF activities by providing resources to follow through with its major recommendations, and to support the creation and establishment of NAFD so that the GOG would eventually have the capacity to promote on a permanent basis investment in the agribusiness sector. The same rationale applies to this FY 1985 funding amendment, but with added force and urgency because of the GOG's adoption of new policies which give priority to the development of a private agricultural sector and its present eagerness to facilitate the development of private enterprise (especially private agribusiness endeavors) through the establishment of a capable and efficient one-stop, investment services office like NAFD.

V. Project Description

The FY 1984 project was based on the July 1983 ATF report. It focuses on the newly created NAFO, providing a resident advisor to the NAFO for 24 person months (PM) and approximately 15 PM of short-term technical assistance under one U.S. contractor to help in undertaking the full scope of project activities. Support commodities and vehicles for the NAFO and additional consultant services are also financed. Project activities can be divided into the following three categories:

- Supporting the NAFO and assisting the NAFO Director in the performance of his assigned functions;
- Assisting suitable U.S. firms in the investment areas deemed to be promising by the ATF, and, to the extent possible, developing a process for identifying and screening possible agribusiness opportunities which might be attractive to foreign investors; and,
- Assisting in the conceptualization and elaboration of a self-sustaining private agribusiness promotion and support strategy in Guinea.

A. Support to the NAFO and its Director

The resident advisor (assisted by short-term consultants) will over two years help the NAFO Director execute the following general duties:

1. Develop a public relations program (including the design and conduct of training workshops and educational travel for foreign and local business representatives) to acquaint potential investors with Guinean investment conditions and maintain a communications system to disseminate this program information regularly to appropriate parties worldwide;
2. Prepare (in consultation with related GOG offices) agribusiness project profiles and advise as to possible sources of financing;
3. Maintain and pursue working relationships with representatives of foreign embassies, regional and international organizations concerned with Guinea's economic development, with a view to promoting the role of private agribusiness;
4. Act as the primary contact point for visitors interested in agribusiness, arrange meetings with ministers, other GOG officials, and representatives of international agencies;
5. Assist potential investors in preparing investment proposals so that they comply with GOG regulations and local business practices;

6. Encourage and promote the emergence of indigenous private agribusiness concerns;
7. Assist in the identification of potential Guinean public and private sector partners for foreign investors;
8. Monitor implementation of projects to encourage growth of Guinean agribusiness; and,
9. Keep the GOG fully informed of major activities relating to the success of the NAFO's performance.

B. Pursuit of ATF Recommendations and Identification of Promising Investment Opportunities.

The contractor, NAFO director and staff, and other concerned GOG officials will cooperate to attract investors, especially in potential investment areas covered by the ATF. These areas include:

- Smallholder rice production and milling in the Kamsar/Boke region (with a view to satisfying the rice needs of the nearby mining community);
- Engaging in any commercial opportunities which might result from diversifying smallholder production in the Kamsar/Boke region, such as transport and other service industries;
- Commercial fishing, either on a mixed or purely private basis, to serve the internal market;
- Smallholder coffee production;
- Export of sleeping-sickness (trypano-tolerant) resistant N'dama cattle to neighboring African states;
- Pineapple production;
- Specialty crop (nuts, spices, essences, and medicinal) production and marketing; and,
- Vegetable production in the Conakry environs for urban consumption and export.

Feasibility studies regarding many of these areas will be required to inform and attract investors. At a minimum, "investment profiles" will be prepared to cover the following topics:

- project description;
- financing requirements;
- technical, marketing and financial plans;
- legal requirements;
- management structure and requirements;
- implementation schedule;
- analysis of development impact (especially relating to smallholder agriculture);
- examination of possible constraints and their resolution and,
- environmental issues.

C. Development of a Private Agribusiness Promotion and Support Strategy for Guinea

The two categories of project activities discussed above -- NAFO support and pursuit of viable agribusiness opportunities -- will of themselves lay the groundwork for a private agribusiness promotion and support strategy. The resident advisor will help with the design and implementation of this strategy. The resulting strategy document will cover many of the same topics examined in the investment profiles, but it will be much more comprehensive in its coverage of topics and timeframe. The document will describe promising private agribusiness possibilities in Guinea, the timeframe estimated for their realization, and the external events upon which the success of these possibilities depends. It will (to the extent possible) identify or suggest funding and technical assistance sources for those segments of the program requiring these inputs. This document will serve as a master plan upon which the GOG can pursue in a coherent manner the development of Guinea's immense agribusiness potential.

VI. Project Progress to Date and Amendment Modification

Events occurring after the signing of the project agreement in January 1984 -- namely the April 1984 change in government which resulted in the change of all top government personnel and the liberalization of government policies-- have had both a positive and a negative effect on this project's implementation. The positive effect was the increased receptivity on the part of the new government to private enterprise in general and to private agribusiness in particular. It is the far-reaching impact of this positive effect which is the primary motivation behind the request for the additional project funding provided under this amendment. The negative effect was a temporary administrative setback which occurred while the new government was sorting itself out. (In hindsight this setback may be seen as an advantage as it will permit a better conceived and coordinated project, as amended.) This temporary administrative setback caused some delays in commodity procurement and in office rehabilitation work.

These delays notwithstanding, vehicles and household furnishings for the resident advisor have arrived, office furniture and equipment are expected in early June 1985, and the NAFO office building rehabilitation work is also expected to be completed in June 1985. Also, the contract for the provision of technical assistance, signed in December 1984, with Chemonics, Inc., posed a major delay as the resident advisor to the director of the NAFO did not arrive until March 17, 1985.

Although not strictly part of this project, one ATF inspired activity has been the object of a successful pre-investment study and is expected to serve as a useful guide in pursuing other ATF recommendations. The activity in question is an integrated lobster, shrimp and shark fishing and processing venture. The pre-investment study for this venture was performed pursuant to an agreement between an U.S. private investor and the U.S. Trade and Development Program. NAFO played a major role in assisting this U.S. private investor successfully negotiate a final agreement with the GOG which officially established this \$6.2 million joint venture company (SOPELAM) on February 6, 1985.

The modifications envisioned by this amendment are reflected in the Illustrative Financial plan. The largest addition is to accommodate a cost overrun in the U.S. technical assistance contract. Also, a major portion of additional funds will be used to cover unforeseen increases in vehicle, equipment and building repair costs. The financing of support commodities for the technical assistance team and for NAFO has therefore been increased to reflect both a refinement of original cost estimates based on actual experience and the effect of inflation on those estimates.

In general, this amendment provides for a more comprehensive range of activities so as to better prepare the GOG to continue an agribusiness program of their own at this project's conclusion. To this end a substantial amount of participant training is being added (long and short-term U.S., and African and in-country). Among the subject specializations envisioned are masters level programs in agricultural business, administration, national planning and the conception and management of development programs. Short-term programs are envisioned in: private sector development, economic forecasting, market surveys, enterprise planning, investment, public relations, analysis of production efficiency, marketing, sales, negotiation, inventory control, accounting, statistics, and profitability analysis. On-the-job training in financial management and accounting is also planned. Invitational travel for study and observation tours by GOG personnel is also being increased. Additional training and travel are considered essential because previous government policies seriously restricted private entrepreneurship and travel outside Guinea; consequently, the skills related to the conduct of private business and a free enterprise system are severely lacking. Much training is needed if there is to be sufficient qualified personnel to serve on NAFO's staff and as private enterprise counterparts elsewhere.

Funds have also been budgeted for AID's support of approved feasibility studies which will explore the potential of undertaking additional promising agribusiness activities in Guinea. The budgeted amount (\$100,000) will serve as an

incentive fund, to be divided among firms chosen on the basis of criteria jointly established by the NAFO director, the resident advisor and designated GOG officials and approved by USAID. Thus U.S. firms which might be reluctant to lay out the full cost of a feasibility study will, in selected instances, be able to obtain some defrayment of their expenses.

The amendment increases the number of ATF consultations for two reasons: first, frequent visits of ATF members will continue the momentum generated by its first visit and respond to the increased receptivity of present GOG personnel to the private enterprise and agribusiness approaches discussed during that visit; and, second, frequent visits will serve as an on-going monitoring and evaluation mechanism. This amendment also funds a major evaluation which is planned for late 1985.

VII. Project Amendment Inputs

This amendment enables the project to finance the following inputs to realize the outputs set forth in the following Section VIII.

A. AID Financed Inputs:

1. A resident advisor to the NAFO director for 24 PM;
2. Approximately 15 PM of short-term technical assistance to help the resident advisor and the NAFO director do pre-investment studies and on-the-job training of GOG personnel;
3. Short-term financial management and accounting assistance;
4. Short-term consultants to assist with the evaluation;
5. Advisory visits by members of the U.S. Presidential Agribusiness Task Force;
6. Invitational travel for GOG personnel for U.S. observation and study tours;
7. Long-term U.S. participant training;
8. Short-term U.S. participant training;
9. Short-term in-country and other African participant training;
10. Vehicle and equipment maintenance and repair contract;

11. Building repairs, utilities and guard services;
12. Up to four U.S. manufactured vehicles; and,
13. Support commodities and equipment for technical assistance personnel and for the NAFO.

B. GOG Financed Inputs:

1. Salaries of NAFO personnel and associated GOG agencies, and for GOG personnel chosen for participant training;
2. Up-country housing and utilities;
3. Office rent and utilities for the NAFO and the technical assistance personnel in Conakry;
4. POL for GOG personnel;
5. Vehicle repairs and maintenance;
6. Local currency costs of temporary project personnel (secretary, chauffeur); and,
7. Local currency operation costs (locally available supplies, furniture, and office improvements).

VIII. Project (as amended) Outputs

This project, as amended, is expected to produce the following outputs, which together should achieve the project purpose:

- A fully operational National Agribusiness Promotion Office, serving as an all-purpose support center for private entities interested in agribusiness investment and as general advisory unit within the GOG for promoting private investment;
- Highly-trained personnel (long-term participants and GOG officials who received on-the-job training) in positions supportive of agribusiness growth and development in Guinea.
- Completed pre-investment studies for selected agribusiness activities to be used to obtain private investments in Guinea's agribusiness sector;
- A completed document setting forth a national private agribusiness promotion and support strategy and an implementation program that is used by the GOG, AID, other donors, and private enterprises which are interested in investing in Guinea;

-- Visits by GOG personnel to U.S. agribusiness enterprises under invitational travel which result in application of new knowledge and gaining of useful contacts; and

-- A continued dialogue and momentum for private agribusiness is maintained by advisory visits from members of U.S. President Agribusiness Task Force.

IX. Project Amendment Implementation Management

Since the situation is evolving very rapidly in Guinea in a way that strongly favors the activities sponsored by this project, USAID/Guinea deems it advisable to remain sufficiently flexible to be able to move quickly and take advantage of new opportunities as they arise. At the same time, USAID insists on close contact with and regular reporting from its technical assistance personnel. The following plan has therefore been designed to satisfy AID monitoring needs.

Within sixty days of the resident advisor's arrival in Guinea, he will submit for written approval a six-month work plan to the NAFO director and USAID. At a minimum the plan will itemize the tasks to be performed by the contractor (all personnel, not just the resident advisor) during the upcoming six month period, identify the resources needed, and estimate the time required to complete the tasks. The work plan will be reviewed at least once a quarter and revised and extended as appropriate. All modifications to the plan must receive written approval by the NAFO director and USAID.

In addition to the above-discussed review of the plan, project implementation, including all contractor activities, will be subject to semi-annual evaluations by a team composed of USAID personnel, the U.S. Embassy Economic Officer, and appropriate personnel from AID Regional Support Office (REDSO/WCA) in Abidjan. Also, an advisory committee of members of the ATF and GOG ministries is expected to review implementation activities at least twice during the life of the project.

This system of work plans, evaluations, and committee reviews will be supplemented by quarterly memorandum reports which the resident advisor will present to the NAFO director and USAID. These reports will discuss implementation activities undertaken during the quarter, problems encountered, and recommendations for future actions, and will include a complete record of all financial transactions undertaken by the contractor and NAFO during the past quarter. These memorandum reports must precede the periodic work plans by at least ten days to permit sufficient time for review and for suggestions for any needed modifications to be transmitted to the resident advisor and incorporated in the subsequent work plan.

The first draft of the Private Agribusiness Promotion and Support Strategy and Implementation Program must be submitted to the NAPO Director and USAID no later than the first day of the fifth month before the Project Assistance Completion Date. This schedule will allow sufficient time for the document to be circulated and reviewed by all interested parties so that their views may be reflected in the final document.

This amendment finances an important amount of commodities and participant training. To assure that the commodities and training are coordinated and appropriate to furthering the project purpose, two conditions precedent are being included in the Project Agreement Amendment requiring the GOG to submit procurement and training plans before any disbursement can be made under these two categories.

X. Project Amendment Issues

An issue which is frequently voiced regarding the commencement or expansion of project activities at this time (June 1985) in Guinea is: Is project success likely and is the undertaking of project activities prudent before the GOG firmly commits itself to and begins to implement essential monetary and administrative reforms necessary to strengthen the Guinean economy and make it attractive to private investors? The response to this concern is a strong affirmative. Presently, Guinean political and economic policies are in a positive transition period and every indication shows that GOG officials are collaborating with the IMF and IBRD to formulate policies designed to stimulate economic growth and the development of a strong private sector. The participation of donors and investors is needed during this crucial transitional period so as to provide the GOG with the guidance it wants in adopting policies and practices that will encourage the growth and development of an independent private sector. In this regard, AID has the opportunity to play a major role in helping Guinea begin to realize its impressive agribusiness potential.

XI. Major Conditions to Disbursement

The Project Authorization Amendment and the Project Agreement Amendment will be subject to two conditions precedent, set forth below, and to such other essential terms, covenants, and major conditions as AID may deem appropriate.

1. Prior to disbursement under this Project Grant Agreement, or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, for

commodities beyond the amount of \$138,000, the Cooperating Country will, except as the parties may otherwise agree in writing, furnish A.I.D. in form and substance satisfactory to A.I.D., an "Expenditure Justification Memorandum". Such memoranda shall set forth at a minimum the following: a detailed rationale for the proposed expenditure, the facility or facilities that will benefit from the proposed expenditure, the long-term benefit of the proposed expenditure and, if there are any recurrent costs which will accrue from the proposed expenditure, the manner in which the Cooperating Country plans to finance those costs.

2. Prior to the first disbursement under the Project Grant Agreement, or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, for participant training, the Cooperating Country will, except as parties may otherwise agree in writing, furnish A.I.D., in form and substance satisfactory to A.I.D.: (i) A Training Plan which describes Project training needs, justifies the proposed training as that most appropriate to meeting those needs, and sets forth the subject matter areas in which training is to be provided, for how long, for what degrees or diplomas, in which countries or areas of the world, and if known, at which institutions. The Training Plan must cover trainee selection criteria and contain a statement that the Government of Guinea agrees to employ each participant in the service of NAPO or a related agency for a period not less than two times the length of his or her training at a level appropriate to the individual's training and experience. A.I.D.'s comments on the Training Plan will be transmitted by a Project Implementation Letter; (ii) An advice of credit indicating that the equivalent sum of at least U.S. \$325,000 has been transferred from FL 480 counterpart fund account no. 32-31-5 at the Banque Guinéenne du Commerce Extérieur to the project's account no. 32-34-215 at the Banque Nationale du Développement Agricole.

XII. Project Paper Amendment Team Members

Team members for this Project Paper Amendment were:

1. Mark G. Wentling, AID Rep/Guinea
2. Robert E. Ritchie, Program Officer, USAID/Guinea
3. Robert Hellyer, ADO, USAID/Guinea
4. George Branson, ADO Assistant, USAID/Guinea
5. Mary K. Vincent, Program Assistant, USAID/Guinea
6. Julie E. DeFlor, PDO, REDSO/WCA, Abidjan
7. Alex Newton, RLA, REDSO/WCA, Abidjan

XIII. ILLUSTRATIVE FINANCIAL PLAN

A. A.I.D. FUNDING

<u>COST INPUT CATEGORY</u>	FY 1984 (original LOP \$800,000)	FY 1985 (Amendment No. adding \$1.0M) TOTAL LOP
<hr/>		
I. TECHNICAL ASSISTANCE		
A. Technical assistance contract (Chemonics)	535,000	755,000
B. ATF advisory visits	20,000	40,000
C. Short-term consultants (10PM)	--	130,000
D. Evaluation Team	--	40,000
E. Vehicle/Equip maintenance Con.	8,000	20,000
	<hr/>	<hr/>
SUB-TOTAL TECHNICAL ASSISTANCE	563,000	985,000
II. PARTICIPANT TRAINING		
A. Long-term U.S. (2 particip. M.S. level)	--	120,000
B. Short-term training in U.S.	--	135,000
C. In-country and other African	--	75,000
	<hr/>	<hr/>
SUB-TOTAL TRAINING	--	330,000
III. INVITATIONAL TRAVEL (GOG Counterpart Personnel)		
	16,000	30,000
IV. COMMODITIES AND EQUIPMENT		
A. SUPPORT TO T.A. PERSONNEL		
1. Household furniture & appliances	25,000	45,000
2. 4WD vehicles and initial spares	16,000	40,000
3. Generator and accessories (15KVA)	8,000	15,000
4. Vehicles spare parts	4,000	15,000
5. Petrol, oil and lubricants	8,000	25,000
6. Logistics supplies (tools, jerrycans, etc...)	4,000	15,000
	<hr/>	<hr/>
Sub-total Support to T.A.	65,000	155,000

B. SUPPORT TO AGRIBUSINESS
OFFICE (NAPO)

1. 4WD vehicles and initial spares	16,000	40,000
2. Vehicle spare parts	4,000	15,000
3. Office furniture and equipment (including telephone system, telex, photocopiers and word processor)	36,000	145,000
Sub-total Support to NAPO	56,000	200,000
Sub-total Commodities and Equipment	121,000	355,000
V. Office repairs, housing and utility installation	70,000	100,000
VI. CONTINGENCY	30,000	
TOTAL A.I.D. LOP COSTS:	800,000	1,800,000

B. GOVERNMENT OF GUINEA FUNDING (U.S. Dollars)

<u>COST INPUT CATEGORY</u>	<u>FY 1984</u>	<u>FY 1985 (LOP)</u>
A. Counterpart salaries	50,000	170,000
B* Local training costs	5,000	20,000
C* Vehicle fuel, oil, lubricants, maintenance and spare parts	50,000	150,000
D. Housing and utilities	45,000	50,000
E* In-country transport	10,000	25,000
F* Building and housing maintenance/repairs	400,000	600,000
G* General and administrative expenses	35,000	60,000
H* Equipment and supplies	20,000	50,000
I. Inflation and contingency	15,000	----
TOTAL GOG CONTRIBUTION	630,000	1,125,000

* The GOG will make available local currency proceeds from the sale of PL-480 commodities to cover these costs; other items will be "in-kind" or funded as regular budget line item.

C. SUMMARY OF AID AND GOG FUNDING (\$000 U.S.)

<u>COST INPUT CATEGORIES</u>	<u>A. I. D.</u>	<u>GOG</u>	<u>TOTAL</u>
1. Personnel	965	170	1,135
2. Training and Travel	360	20	380
3. Vehicles and Maintenance	100	50	150
4. Equipment and Supplies	220	50	270
5. POL and Spare Parts	55	100	155
6. Building and housing maintenance/repairs	100	600	700
7. Housing and Utilities	--	50	50
8. In-country transportation	--	25	25
9. General and administrative	--	60	60
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TOTAL LDP COST:	1,800	1,125	2,925
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PROJECT AUTHORIZATION AMENDMENT

NAME OF COUNTRY: GUINEA
NAME OF PROJECT: PRIVATE AGRIBUSINESS PREPARATION
PROJECT NO.: 675-0212

Pursuant to Part 1, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, a grant for the Private Agribusiness Preparation Project to the Government of Guinea (the "Cooperating Country") was authorized on August 31, 1983. Pursuant to the adhoc redelegation of authority to me set forth in State 174917, dated June 7, 1985, this authorization, as amended, is hereby further amended as follows:

1. The authorized life-of-project funding is increased by \$1,000,000, from \$800,000 to \$1,800,000.
2. The Project Grant Agreement, which may be negotiated and executed by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and delegations of authority, shall be subject to the following additional essential conditions:
 - a. Prior to disbursement under this Project Grant Agreement, or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, for commodities beyond the amount of \$138,000, the Cooperating Country will, except as the parties may otherwise agree in writing, furnish A.I.D. in form and substance satisfactory to A.I.D., an "Expenditure Justification Memorandum". Such memoranda shall set forth, at a minimum, the following: a detailed rationale for the proposed expenditure, the facility or facilities that will benefit from the proposed expenditure, the long-term benefit of the proposed expenditure and, if there are any recurrent costs which will accrue from the proposed expenditure, the manner in which the Cooperating Country plans to finance those costs.
 - b. Prior to the first disbursement under this Project Grant Agreement or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, the Cooperating Country will, except as the parties may otherwise agree in writing, furnish A.I.D., in form and substance satisfactory to A.I.D.:
 - 1) A Training Plan which describes Project training needs, justifies the proposed training as that most appropriate to meeting those needs, and sets forth the subject matter areas in which training is to be provided, for how long, for what degrees or diplomas, in which countries or areas of the world, and if known, at

which institutions. The Training Plan must cover trainee selection criteria and contain a statement that the Government of Guinea agrees to employ each participant in the service of NAPO or a related agency for a period no less than two times the length of the training period at a level appropriate to the individual's training and experience following the successful completion of his or her training program; and

(ii) An advice of credit indicating that the equivalent sum of at least U.S. \$325,000 has been transferred from PL 480 counterpart fund account no. 32-31-5 at the Banque Guinéenne de Commerce Extérieur to the project's account no. 32-34-215 at the Banque Nationale de Développement Agricole.

Date June 12, 1985

Mark G. Wentling
Mark G. Wentling
AID Representative/Guinea

Concurrence:
REDSO/WCA Director (see Abidjan 09892 dated June 12, 1985).