

657-0020
PDFCJ 464

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

September 26, 1990

C. Payne Lucas
Executive Director
AFRICARE
440 R Street, N.W.
Washington, D.C. 20001

Subject: Grant No. AFR-0020-G-00-0073-00

Dear Mr. Lucas:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1977, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to AFRICARE (hereinafter referred to as "Grantee") the sum of Six Hundred Fifty Five Thousand Dollars (\$655,000) to implement the Guinea-Bissau Tombali Sustainable Rural Initiatives Project (AID Project No. 657-0020-3-0619051). This program is more fully described in the Attachment 1 of this Grant entitled Schedule, and Attachment 2, entitled Program Description.

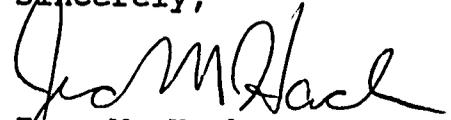
This Grant is effective and obligation is made as of September 26, 1990 and shall apply to commitments made by the Grantee in furtherance of program objectives through the estimated completion date, which is September 25, 1994. Notwithstanding the above effective date, allowable pre-grant expenditures incurred by the Grantee, as of May 1, 1990, are also covered by this Grant. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program is \$655,000 which is hereby obligated. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled Schedule; Attachment 2, entitled Program Description; and Attachment 3, entitled Standard Provisions, [which have been agreed to by your organization].

Please acknowledge receipt of this Grant by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the undersigned.

Sincerely,


Jean M. Hacken
Grant Officer
Overseas Division-Africa
Office of Procurement

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

AFRICARE

BY: C. Payne Lucas

TYPED NAME: C. PAYNE LUCAS

TITLE: EXECUTIVE DIRECTOR

DATE: 09/28/90

Attachment 1

SCHEDULE

AFR-0020-G-00-0073-00
AFRICARE
page 4

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide funding support for Africare's implementation of the Tombali Sustainable Rural Initiatives Project. The project goal is to encourage private sector investment and growth, and to foster greater economic growth, especially in agriculture, agro-industry and fisheries. This goal is to be achieved through the promotion of the organization of producer and processor associations through training, credit and technical assistance. The activities are designed to respond directly to Guinea-Bissau's need for increased support for private sector growth and ultimately will result in the development of much needed income and employment generating opportunities, especially for youth and women. This project is more specifically described in Attachment 2 to this Agreement entitled "Program Description".

B. Period of Grant

1. The effective date of this Grant is September 26, 1990 and the estimated completion date is September 25, 1994. Notwithstanding the effective date, allowable pre-Grant expenditures incurred as of May 1, 1990, are also covered by this Grant.

2. Funds obligated hereunder are available for program expenditures for the estimated period stated above, and as shown in the Financial Plan below.

C. Amount of Agreement and Payment

1. The total estimated amount of this Grant for the period shown in B.1. above is \$655,000, of which \$655,000 is hereby obligated. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of that amount.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Optional Standard Provisions For U.S. Nongovernmental Grantees, the clause entitled "Payment - Letter of Credit".

E. Budget

The following is the Budget for this Grant. The Grantee may not exceed the total estimated amount or the obligated amount, whichever is less (see Part C above). Except as specified in the Mandatory Standard Provision of this Grant entitled "Revision of Grant Budget", as shown in Attachment 3, the Grantee may adjust line item amounts within the grand total as may be reasonably necessary for the attainment of program objectives.

Budget

<u>Category</u>	<u>Total Cost</u>
Salaries	\$213,333
Benefits/Recruiting	77,885
Travel & Relocation	109,941
Other Direct Costs	35,881
Equipment	46,200
Supplies	9,469
Construction	+ 10,000
SubTotal	\$502,710
Indirect Cost	+152,290
TOTAL	\$655,000

Inclusion of any cost in the budget of this Grant does not obviate the requirement for prior approval by the Grant Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision entitled, "Allowable Costs") and other terms and conditions of this Grant, unless specifically stated elsewhere in this Grant.

F. Reporting and Evaluation

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Optional Standard Provision of this Grant entitled "Payment - Letter of Credit", as shown in Attachment 3. The frequency of financial reporting and the due dates of reports shall be as specified in the above referenced clause.

b. The original and two copies of all financial reports shall be submitted to:

Agency For International Development
Office of Financial Management, CMP/LC
Room 703, SA-2
Washington, D.C. 20523-0209.

c. In addition, one copy of all financial reports shall be submitted to:

USAID/Guinea-Bissau
Agency For International Development
Office of A.I.D. Representative
Department of State
Washington, D.C. 20520-2080

d. Each financial report shall include:

PIO/T Numbers:	657-0020-3-0619050
	657-0020-3-0619051
Project Number:	657-0020
Project Name:	Tombali Sustainable Rural Initiatives
Grant Number:	AFR-0020-G-00-0073-00
Project Office:	USAID/Guinea-Bissau

2. Program Performance Reporting

a. The Grantee shall submit the following program performance reports every four months, and a final report, which briefly presents the following information:

(1) A comparison of actual accomplishments with the goals established for the period, the findings of the investigator, or both. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

b. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform AID as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any AID assistance needed to resolve the situation.

(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

c. If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in Standard Provision of this Grant entitled "Revision of Grant Budget", the Grantee shall submit a request for budget revision.

d. Two copies of each program performance report shall be submitted to the A.I.D. Representative, Guinea-Bissau, at the address specified in F.1.c above.

G. Special Provision

1. The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this Grant which are determined by the Grant Officer to be reasonable, allocable, and allowable in accordance with the terms of this Grant, any negotiated advance understanding on particular cost items, and the applicable cost principles in effect on the date of this Grant. [Note regarding applicable cost principles: Educational Institutions use OMB Circular A-21; all other non-profits use OMB Circular A-122 and AIDAR 731.770; and profit making firms use FAR 31.2 and AIDAR 731.2.]

2. ZIP Codes: Use the following nine-digit zip codes instead of the five-digit codes shown in the Standard Provisions:

<u>Standard Provision</u>	<u>Zip code</u>
Disputes Clause	20523-0051
Payment-Letter of Credit (In addition to the zipcode change, the organizational symbol for A.I.D.'s Office of Financial Management has been changed to the address shown in F.1.b of the Schedule.)	20523-0209
Ocean Shipment of Goods	20523-1419
Procurement of Goods & Services	20523-1414
Negotiated Indirect Cost Rates-Predetermined	20523-0060 20523-1417
Negotiated Indirect Cost Rates-Provisional	20523-0060 20523-1417
Participant Training	20523-1601
Participant Training	20523-0208
Use of Pouch Facilities	20523-0001

3. For the purposes of "notices" delivered to the A.I.D. Grant Officer, pursuant to Mandatory Standard Provision No. 13, entitled "Notices", the following address shall be used:

- a) Regular U.S. Mail
Grant Officer
Agency for International Development
Office of Procurement
Overseas Division-Africa
Washington, D.C. 20523-1425

b) By courier
 Grant Officer
 Agency for International Development
 Office of Procurement, Overseas Division-Africa
 1100 Wilson Blvd., 15th floor receptionist
 Arlington, Virginia 22209

H. Indirect Cost Rates

Pursuant to the Optional Standard Provision of this Grant entitled "Negotiated Indirect Cost Rates-Provisional", the allowable indirect costs under this Grant shall be obtained by applying the provisional rates listed below to the base shown and for the period described. Following the expiration of the period listed for the provisional rates, and pending the establishment of final indirect cost rates, the provisional rates below shall govern.

<u>Description</u>	<u>Rate</u>	<u>Base</u>	<u>Type</u>	<u>Period</u>
Overhead	32.41%	1/	2/	3/
Overhead	16.21%	4/	2/	3/

- 1/ Base of Application: Level I - Personnel, travel and allowances, training and other direct costs.
- 2/ Type: Provisional
- 3/ Period: Until amended
- 4/ Base of Application: Level II - Supplies, equipment and construction costs.

Not later than 90 days after the close of the Grantee's fiscal year, the Grantee shall submit to the cognizant government audit agency, proposed final indirect cost rates and supporting documentation.

I. Title to Property

This Grant includes the purchase of one 4WD vehicle, a project generator, office equipment and supplies. Title to property shall be governed in accordance with the Grant Standard Provision entitled "Title To and Use of Property" (Grantee Title).

J. Authorized Geographic Code

There are two funding sources for this Grant, 1) FAA Section 103 appropriation account, funding in the amount of \$382,705; and 2) Development Fund For Africa account, funding in the amount of \$272,295. Commodities and services allocable to FAA Section 103 account shall be procured from AID geographic code 935 countries. Commodities and services allocable to Development Fund For Africa account shall be procured from AID geographic code 941 countries. If questions arise on this matter, the Grantee shall consult with the Guinea-Bissau AID Representative.

K. Standard Provisions

Attachment 3 of this Grant contains "Mandatory and Optional Standard Provisions For U.S., Nongovernmental Grantees". All of the "Mandatory" Standard Provisions, and any subsequent revisions, are applicable to this Grant. The following "Optional" Standard Provisions, and any subsequent revisions, have also been determined to be applicable:

Optional Standard Provisions For U.S., Nongovernmental Grantees

- Payment - Letter of Credit (November 1985)
- Air Travel and Transportation (November 1985)
- Ocean Shipment of Goods (May 1986)
- Procurement of Goods and Services (November 1985)
- AID Eligibility Rules for Goods and Services
(November 1985)
- Subagreements (November 1985)
- Patent Rights (November 1985)
- Publications (November 1985)
- Negotiated Indirect Cost Rates - Provisional
(May 1986)
- Regulations Governing Employees (November 1985)
- Participant Training (May 1986)
- Title To & Use of Property (Grantee Title)
(November 1985)
- Use of Pouch Facilities (November 1985)
- Conversion of United States Dollars To Local Currency
(November 1985)

Program Description

TABLE OF CONTENTS

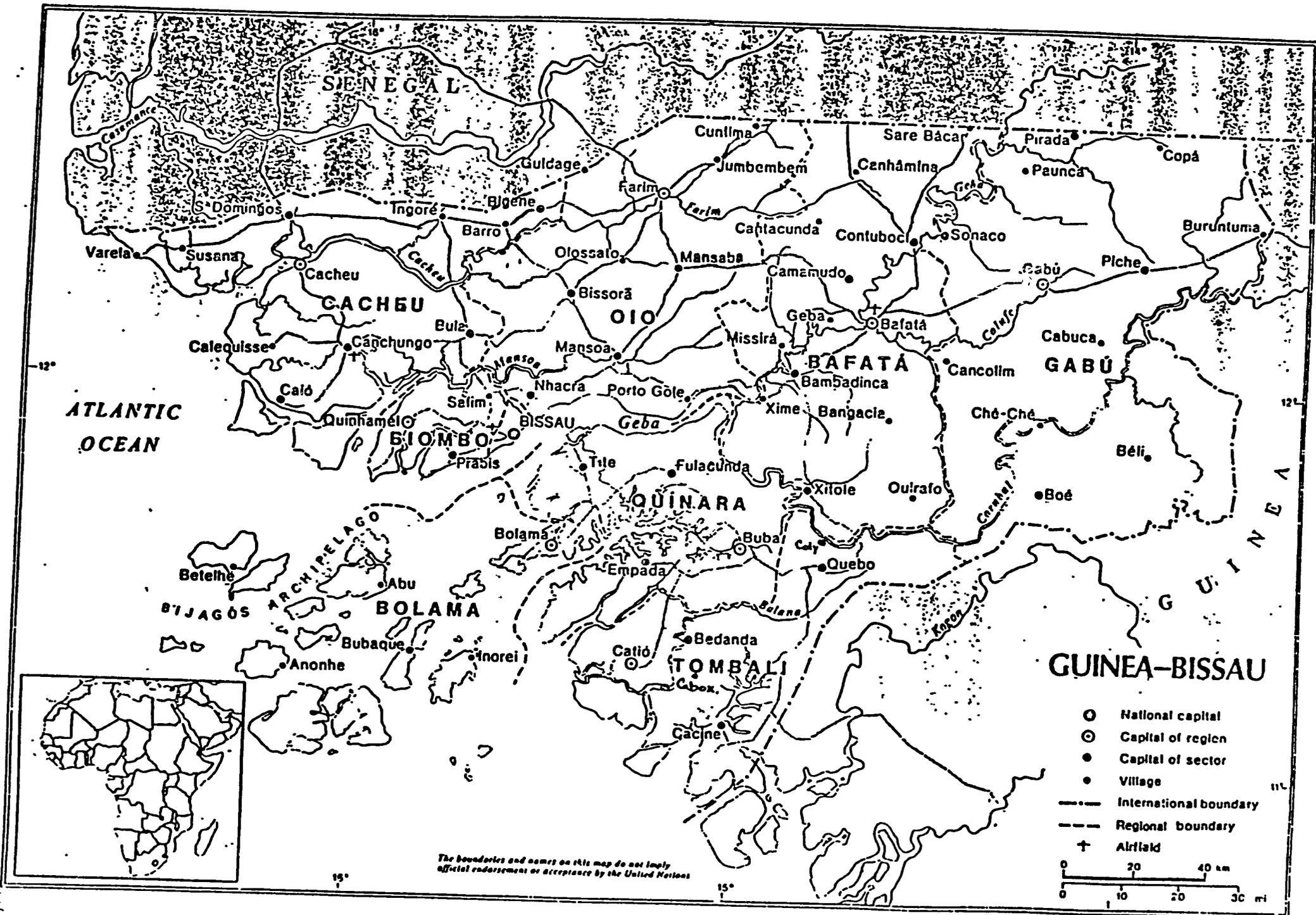
ANNEXES	ii
LIST OF ACRONYMS	iii
PROJECT AREA MAPS	iv
I. EXECUTIVE SUMMARY	1
II. PROGRAM GOALS	3
III. PROGRAM DESCRIPTION	4
A. Project Setting	4
B. Problem Statement	8
C. Program Objectives	10
D. Target Population	12
E. Intervention Description	12
F. Assumptions	29
G. End of Project Status	29
H. Linkage with Other Development Activities	30
I. Monitoring and Evaluation Plan	33
J. Phase-over/Phaseout Plan	34
IV. FINANCIAL PLAN	36
A. Budget Summary	36
B. Host Country Contribution	37
C. Other	37
D. Local Currency Budget	38
E. Hard Currency Budget	41
V. MONETIZATION PROPOSAL	44
A. Summary	44
B. Use of Sales Proceeds	44
C. Justification for Commodity Monetization	45
D. Commodity Selection	48
E. Sales Arrangement	51
F. Management of Sales Proceeds	54
G. Call Forward, Packaging, Shipping, Logistics Information	55
H. Monitoring and Reporting	57

ANNEXES

- A: Logical Framework
- B: Economic Analysis
- C: Social Soundness Analysis
- D: Annual Estimate of Requirements (AER)
- E: Disincentives and UMR Statements
- F: Monetization Accord
- G: Example Commodity Sales Agreement
- H: AFR/GOGB Country Accord
- I: Project Organogram
- J: Project Personnel - Terms of Reference
- K: Letter of Commitment "Rural Incentives Project" (World Bank/IFAD)
- L: Potential Economic Activities for Associations
- M: Bibliography

LIST OF ACRONYMS

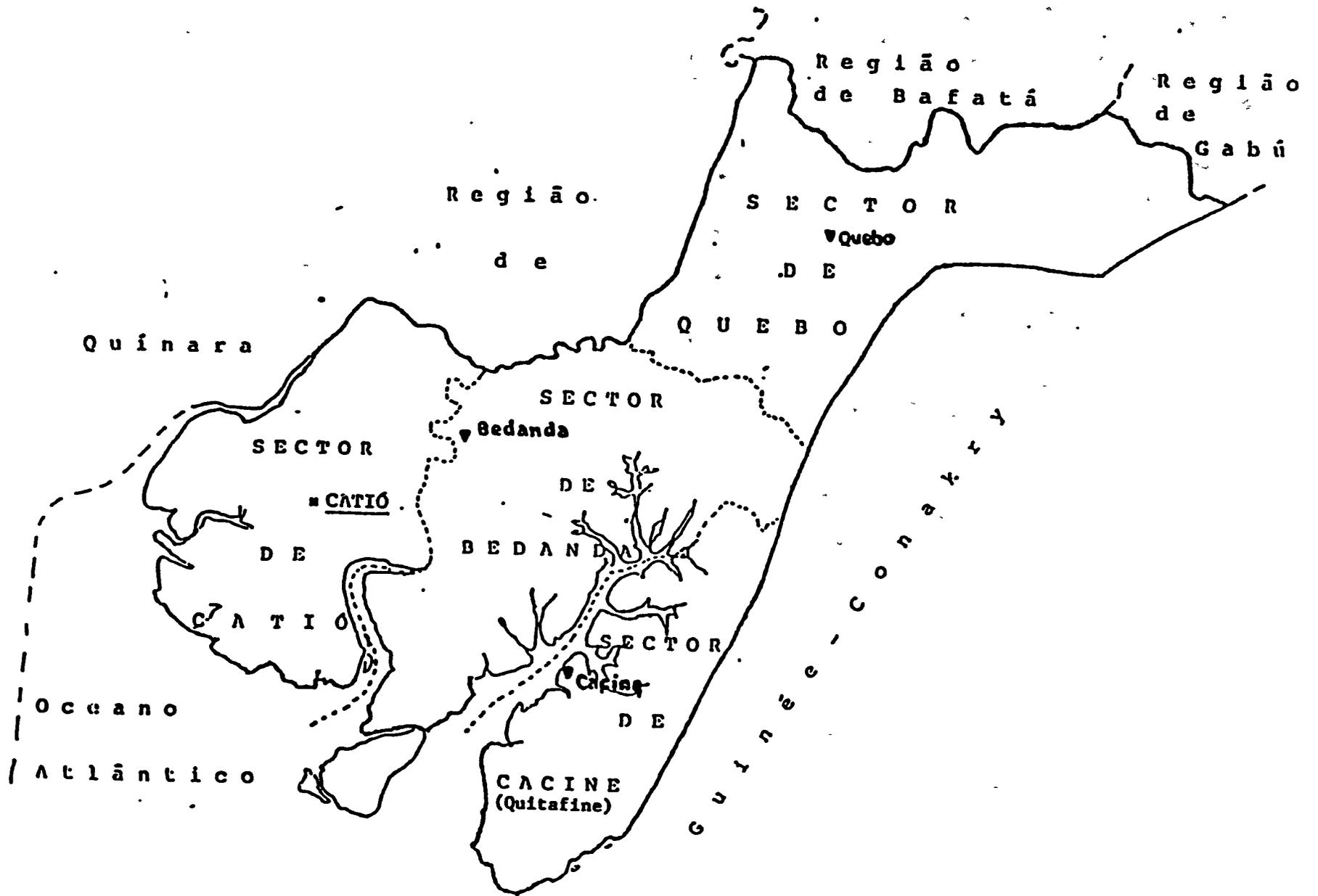
AAPP	- Association for the Support of Popular Production
AER	- Annual Estimate of Requirements
ADP	- Armazens do Povo
AT	- Association Trainers
BVGB	- National Bank of Guinea-Bissau
bolanha	- (Crioulo) rice field
CEFC	- Experimental Center for Community Training/MOE
CENFA	- National Center for Administrative Training/MOL
DA	- Development Assistance
DEPA	- Department of Research and Agricultural Extension/MDRA
DFA	- Development Fund for Africa
djila	- (Crioulo) itinerant trader, middleman, merchant
ECC	- Ecumenical Council of Churches
FAO	- Food and Agriculture Organization
FAS	- Free Along Side
FVA	- Office of Food for Peace and Voluntary Assistance
GESE	- Office of Socio-Economic Studies/DEPA
GOGB	- Government of Guinea-Bissau
IFAD	- International Fund for Agricultural Development
INEP	- National Institute for Studies and Research
ITFP	- National Institute for Professional Training
lugar	- (Crioulo) forest clearing upland crop
lumos	- (Crioulo) periodic markets
MDRA	- Ministry of Rural Development and Agriculture
MOC	- Ministry of Economic Coordination, Commerce and Tourism
MOE	- Ministry of Education
MOP	- Ministry of Planning
MYOP	- Multi-year Operational Plan
OAR	- Office of the AID Representative
PAIGC	- African Party for the Independence of Guinea-Bissau and Cape Verde
PL 480	- Public Law 480
PESCARTE	- Directorate of Artisanal Fisheries/Secretary of State for Fisheries
PIC	- Integrated Project of Caboxanque
SAP	- Structural Adjustment Program
SAPI	- Service for the Support of Small Initiatives
TOT	- Training of Trainers
UMR	- Usual Marketing Requirements
USAID	- United States Agency for International Development



The boundaries and names on this map do not imply official endorsement or acceptance by the United Nations

57

REGIÃO DE TOMBALI



REGION OF TOMBALI

I. EXECUTIVE SUMMARY

This Multi-Year Operational Plan (MYOP), which includes the Tombali Sustainable Rural Initiatives Project, is a four-year intervention which is designed to provide support for the Government of Guinea-Bissau's (GOGB) economic reform program. The total four-year budget of \$1,988,011 contains \$1.56 million in local currency (Guinean pesos) generated from Africare's program to monetize P.L. 480, Title II commodities requested for FY90, FY91 and FY92.

The goal of the project is to encourage private sector investment and growth, and to foster greater economic growth, especially in agriculture, agro-industry and fisheries. This goal is to be achieved by promoting the organization of producer and processor associations through training, credit and technical assistance. The program therefore has the following three global objectives:

1. To promote the organization of producer and processor associations through the provision of business and management training;
2. To support the economic activities of the producer and processor associations through the provision of credit; and
3. To promote improved production and processing techniques through the provision of technical assistance to these associations.

These objectives respond directly to Guinea-Bissau's need for increased support for private sector growth and ultimately will result in the development of much-needed income and employment generating opportunities, especially for women and youth. In addition, the project will address some of the immediate constraints to small-scale rural enterprise development, such as lack of necessary production inputs and inadequate technical and managerial capabilities. Production and processing inputs will be made available to participating associations on a credit basis. Likewise, training - both technical and managerial - will be provided throughout the life of the project, to ensure eventual sustainability of the activities.

All project activities will be carried out with direct participation of the GOGB - Department of Research and Agricultural Extension (DEPA) of the Ministry of Rural Development which will contribute staff and facilities.

Africare's monetization program - consisting of 1,800 MT of rice in Year 1 - will support the local currency needs of the project and directly benefit the people and Government of Guinea-Bissau in a number of ways.

First it will assist in easing the country's current food deficit. Although Guinea-Bissau has the capacity to be self-sufficient in cereals, domestic production currently lags behind requirements by 20,000 MT on an average annual basis.

Secondly, because P.L. 480, Title II monetization is a grant program, it will help ease the GOGB's balance of payments and debt burden by allowing access to needed commodities without having to spend scarce foreign exchange or incurring further debt.

Finally, the monetization program will directly complement the GOGB's structural adjustment efforts to strengthen privatization, as it will be carried out directly with private sector firms; and increased spending of local currencies will contribute to a stronger, more stabilized peso economy.

Developed under the MYOP format detailed in the P.L. 480, Title II, Monetization Manual, the project will include internal reviews at the end of years one, two, and three to assess project progress and revise target workplans accordingly. A final evaluation will be held at the project's end, with participation from Africare, A.I.D., the GOGB and outside evaluators, to gauge overall project achievements against stated purposes and objectives; and to assess the potential replicability of the activity in other parts of Guinea-Bissau.

II. PROGRAM GOALS

The goal of the Tombali Sustainable Rural Initiatives Project is: to strengthen the GOGB's efforts under its economic reform program by encouraging private sector investment and growth, and fostering greater economic growth, especially in agriculture and fisheries.

To date, lack of supporting infrastructure and institutions have continued to constrain potential investment opportunities in these sectors. Nonetheless, the scope for expanding small-scale investment is vast, with fisheries, agriculture and agro-processing presenting some of the greatest opportunities.

The project will undertake activities in promoting the development of associations (private, local institutions) in these sectors, which, in collaboration with the GOGB's reform program, will open more avenues for small-scale private (rural) investment and ensure greater access to credit, training and other necessary inputs which will enhance the profitability and sustainability of the participating associations economic activities.

Other facets of the GOGB's structural adjustment program will also be tangentially supported as underlying goals of the project. The current structural adjustment program aims to have a continued impact on increasing incomes of the country's poorest groups - namely, small rural producers and processors; and to increase their welfare by providing greater access to imports and other consumer goods. Association members in the Tombali Region and their rural communities are to be duly impacted by the activities to be undertaken here. Likewise, supporting association-driven economic activities in agriculture, agro-industry and fisheries fits squarely with the structural and stabilization measures of the GOGB's adjustment program.

World Bank reports indicate that by increasingly focusing on removing institutional and policy barriers to growth, particularly in private agriculture and fisheries, Guinea-Bissau should be well placed to achieve an annual rate of growth of approximately 4-5 percent. The GOGB also continues to encourage diversification in agriculture and fisheries as a means of ensuring against adverse movements in terms of trade. Strengthening of these sectors will help to relieve much pressure on the country's trade-balance in the years to come.

Overall then, it is expected that (the activities proposed under) this project will provide relief, on a micro-level, for a number of constraints which continue to plague economic growth and private investment in Guinea-Bissau's rural areas, while concomitantly addressing concerns of the GOGB's macroeconomic adjustment program.

III. PROGRAM DESCRIPTION

A. Project Setting

1. The Country

Located on the coast of West Africa, the Republic of Guinea-Bissau is south of Senegal and north/northwest of the Republic of Guinea (Conakry). The country is about twice the size of New Jersey, covering an area of approximately 13,938 square miles. Its population is estimated to be one million inhabitants, with population growth rate reported at 1.8% per year (World Bank, 1987). The governing party, PAIGC - African Party for the Independence of Guinea-Bissau and Cape Verde - came to power in 1974 following an 11-year liberation war against the Portuguese.

With an estimated per capita income of US \$170-180, Guinea-Bissau is classified by the World Bank as one of the ten poorest countries in the world. Other social indicators highlight this as well. For instance, adult literacy (in Portuguese) hovers around 10%; infant mortality is reported by the World Bank (1987) at 180/1000 live births; average life expectancy at birth is only 40 years; and only 2% of the rural population (85% of the country's total population) has access to safe water.

Today Guinea-Bissau appears to be a lesser-developed enclave within what is principally a French-speaking region of West Africa. The histories and cultures of its more than 30 different ethnic groups are very much entwined with those of its neighbors from Sierra Leone to the Senegambia. Once the western frontier of the Mali Empire, Guinea-Bissau's physical position led to heavy involvement in the trans-Atlantic slave trade. Parts of Guinea-Bissau were being incorporated into the Fulbe Confederation of Futa-Jalon when a series of bloody campaigns between the 1880s and 1920s established Portuguese colonial rule. Ethnic resistance to the Portuguese gave way to a national liberation movement in the 1950s.

This movement led the anti-colonial war between 1963 and 1974. During the war, Portuguese bombing of fields and villages significantly impeded the country's ability to feed itself.

Most Guinea Bissauans live in villages of less than 200 people. Agriculture is the predominant economic activity, constituting roughly 60% of GDP. Rural production primarily consists of cereal cropping by traditional methods, supplemented by tree crops, fishing, palm nut gathering and cattle raising. Rice and millet are the most important food crops; peanuts, cashew nuts, and palm kernels are the main exports. As a result of the lingering after-effects of the liberation war, large portions of land which were farmed prior to the struggle remain uncultivated today.

Likewise, while there are substantial resources in fisheries and forestry, they have as yet to be developed.

Guinea-Bissau's population is comprised of a number of diverse ethnic groups, each with its own language, cultural values and forms of social organization. Approximately one half of the population speaks Crioulo, a mixture of Portuguese and African languages; while only about 10% speak Portuguese - the official language.

There are two agro-ecological regions in Guinea Bissau. The western third, or coastal region, is crossed by rivers and streams of brackish water. Here animist or traditional African groups (such as the Balanta, Manjaco and Papel) rely on farming and fishing for their livelihoods. Principally they grow rice and collect palm products. In the savanna land of the interior, one finds cattle-raising Islamicized groups (such as the Fulbe and Mandinga) who cultivate millet, sorghum and peanuts.

Since 1986, the government has been vigorously implementing a structural adjustment program in an effort to promote policy reform and to achieve economic stability. Previously farmers had been unwilling to market their produce through official channels due to low producer prices. Additionally, the unavailability of consumer goods has had a discouraging effect on the local economy. Under its adjustment program, the GOCEB hopes to stimulate economic growth (both production and trade), make progress towards a viable balance of payments position and reduce inflation.

Efforts are being made to bring domestic demand in proper alignment with available resources while generating a favorable climate for private sector development. New policies have already fostered the availability of a variety of consumer goods, as well as more regularized and official participation in the national economy by merchants, producers and consumers.

The legacy of armed struggle, inexperience as a newly independent nation, lack of properly trained cadres, and sporadic drought have complicated Guinea-Bissau's quest to return to self-sufficiency in food production, to attain better health services, provide universal education, and to develop agro-industry and commerce. Many observers believe however, that the new policies of economic liberalization hold the keys to change and progress.

2. The Region

One of Guinea-Bissau's eight administrative regions, Tombali is situated in the extreme southwest of the coastal area. Due to the lack of roads and reliable river transport, it has remained relatively isolated. Nonetheless, people from 17 ethnic groups have continued to migrate into Tombali since the 1880s, looking

for refuge from inter-ethnic wars and colonial oppression, as well as for new rice fields. Working together to reclaim the mangrove swamps and forests, they turned Tombali into the breadbasket of the country.

It was in the region of Tombali that the anticolonial war began, and the region suffered greatly as a result. Thousands of people were forced to flee their homes - including a large number of the area's youth - resulting in a major loss of labor power. (It is estimated that nationally over 150,000 Guinea-Bissauans took refuge abroad during this period, due to the social and economic disruptions levied on the country.) Half the villages in Tombali lost their rice fields because of the bombings. Today, some villages are entirely composed of houses built since the war.

As a result of diminishing and erratic rainfall, paddy yields from the saltwater rice fields have become unstable. The farmers of Tombali Region are therefore relying increasingly on slash-and-burn cultivation of upland crops such as rice, millet and cassava. Land pressures have begun to increase, as a result of population growth and environmental factors. Consequently, farmers are being forced to move farther away from their villages to find cultivable land.

In an attempt to circumvent this mounting problem, farmers have reduced fallow time to only seven years or so from the traditional fifteen; soil is thus becoming less fertile. In the administrative sector of Cubucare, for example, three times as much forest was burned to provide land for cultivation in 1985 than in 1984. There is a deep concern in the region about the prospects for sustaining the present cereals surplus given current agricultural practices and trends.

Because of the challenges posed by the post-war recovery, combined with environmental constraints, income-earning activities such as fishing and processing of palm products have taken on a new significance in the region. People who were previously able to rely on their rice fields for food now have to supplement their harvests with commodities from the market. Money to make these purchases is acquired from other activities such as soap making, oil processing or fishing.

Unfortunately, lack of materials, such as fishing nets or soda ash for soap making, and limited market infrastructures have presented severe limitations to increased production in these activities.

Women in Tombali are also responsible for the care of the region's small animal population, including poultry, goats, sheep and pigs. Due to the lack of a national veterinary program, contagious diseases have repeatedly decimated livestock which

could otherwise make a significant contribution to the nutritional and economic status of the region.

3. The People

Within Tombali Region, there are four administrative sectors; three have been selected for participation in this project - Quebo, Cuitafine (also known as Cacine) and Cubucare. The people of Quebo are predominantly Fulbe who sought refuge in the region from inter-ethnic warfare in the last part of the 19th century. But, as elsewhere in the region, various ethnic groups are represented. The Fulbe came to Tombali as cattle herders, due in part to an attempt to escape tse-tse fly infestation. Today they rely primarily on cultivation of upland rice and millet for subsistence.

The Nalu are recognized as the original inhabitants of Tombali Region, and are numerically significant in the sector of Cacine - the Nalu name for oysters, which abound in the area. (Fish and shrimp are also in abundance throughout the region.) Nalu, Sosso, Mandinga, Fulbe and other groups, both Islamicized and animist, rely on fishing to provide animal protein in their diets. In some villages, the people depend on selling fish in order to have money to buy staple grains.

During the 1920s, large numbers of Balanta came into Tombali Region in search of new rice fields and refuge from the forced labor policies of the colonial regime in the North. Today in Tombali, most ethnic groups employ the sophisticated Balanta saltwater rice production techniques which yield as much as 2,500 kg per hectare.

The people of the region of Tombali, both men and women, are hard-working and eager to increase the levels of their production and incomes. In the sector of Cubucare, for example, one of the most recently successful ventures has been the formation of a fruit growers association which is marketing bananas, cashews, pineapples and other fruits as far away as Portugal. Profits have been used to bring consumer goods such as bicycles, radios and batteries back into the villages. Material and technical support is in short supply here, however; and is lacking throughout most of the region.

During the liberation war, the region lost many of its resources, including manpower and physical infrastructure. Support is needed to enable the region to recoup these losses. Opportunities must be provided for farmers to improve and increase their yields. Underemployed or unemployed youth need opportunities to generate income in order to stem emigration from the area. Women, who are the heart of both rural subsistence and market economies, require means to lighten their arduous workloads and alternative

234

opportunities to become full and active participants in the newly evolving economy of Guinea-Bissau.

B. Problem Statement

Several factors make Guinea-Bissau a special case among LDCs in Africa, factors which have impacted heavily upon the country's economic development. The country continues to emerge from a very long colonial period, and suffers from a limited resource base, much of which was severely ravaged during the war for independence.

In spite of years of receiving relatively high levels of donor assistance, Guinea-Bissau remains among the ten poorest countries of the world. Indeed there has been an extremely low level of natural, technological and notably human resource development. Physical infrastructure, much of which was destroyed by the war, remains rudimentary. Infant and child mortality rates are among the highest in the world; average life expectancy at birth currently hovers under 40 years. And literacy (in Portuguese) has been achieved by less than 10% of the country's population.

1. Economic Growth and Development Constraints

a. The Policy Environment

Notable among the constraints which have impaired Guinea-Bissau from charting a more positive economic development course since independence is the country's initial adaptation of an agriculturally-based, centrally planned economy which significantly distorted the structure of incentives - particularly for farmers. This lack of incentives has been characterized by the continued pursuit of inefficient methods of production for both agricultural and non-agricultural goods. Private investment was virtually non-existent until very recently. As there were no "rewards" to be gained in the system, farms and farm practices were not improved; nor were private commercial activities actively pursued.

b. Low Human Resource Development

Like many other African countries, Guinea-Bissau suffers from a marked lack of trained cadres. Its educational system is quite small and largely unsuited to the development needs of the country. Thus Guinea-Bissau continues to be plagued by the lack of a viable, properly trained human resource base. This constraint poses particular problems for improvements in public sector management as it makes it difficult for the GOGB to absorb the types of technical assistance that must eventually be disseminated to the people of Guinea-Bissau. Throughout the public sector, one can find a number of cases where expatriates

who have come to the country to provide technical assistance actually outnumber local professionals currently on staff.

c. Underdeveloped Institutional Capability

While outside development assistance continues to pour into the country, Guinea-Bissau is stymied by a limited absorptive capacity for this aid. This problem is manifest in several ways.

Primarily, as mentioned above, Guinea-Bissau is plagued by a lack of skilled personnel, at all levels, from technicians to executive and supervisory positions. This is not to say that there are no qualified cadres in-country; or that they cannot be used to sufficient effect. However, there is simply a shortage of qualified local counterpart personnel. Consequently, expatriate personnel have often implemented certain activities in lieu of providing training for counterpart personnel. And, when advanced technical training is provided for host country personnel, project activities often suffer from deprivation of the input of their most competent technicians.

Fundamentally, this means that the institutional capacity to undertake necessary project tasks has not yet been sufficiently established in Guinea-Bissau; and consequently, project activities often lag in their implementation phases. Secondly, the GOGB simply does not have the financial wherewithal to provide counterpart support to projects. Tighter monetary and fiscal policies which characterize the GOGB's structural adjustment program clearly indicate that such expenditures will remain limited for some time.

d. Reliance on Traditional Agricultural Practices

Most agricultural practices in Guinea-Bissau are highly traditional. Technologies, cultural practices and varieties are seldom improved. It follows then that productivity in the areas of agriculture and fisheries has remained significantly low. Likewise, there is little evidence that technological change will come autonomously; rather it will come at the behest of externally supported donor activities. Historically, Guinea-Bissau was a net food exporter, using traditional technologies. Agricultural exports could again be expanded since producers in this sector are readily responsive to off-farm incentives such as better prices, storage, credit and processing.

2. Recommendations

The relative paucity of developed resources, misguided economic policies and the history of past reform efforts point to a need for change which can be facilitated by the GOGB; the small but expanding private sector and foreign donors. The private sector must be accorded broader freedom and responsibilities; and a

market-oriented, agriculturally based development strategy must be implemented to correct price and incentive distortions, while generating a favorable climate for private sector development initiatives.

These elements currently constitute part of the GOGB's structural adjustment program, which since 1986/7 has enjoyed steady and continued success. Generally, the program is designed to focus on decontrol and liberalization, with the active role of the state being limited to one of supporting private sector development. These policies are meant to lead to an increase in external competitiveness of the economy, greater control over the budgetary deficit, improvement in production incentives, a rise in the productivity of the public investment program and liberalization of pricing and marketing systems.

Under the reform program, development of indigenous private enterprises (some formerly parastatals) continues on a steady basis. The agricultural sector contains the bulk of private entrepreneurship - primarily in the form of small farmers. There is not much of a private sector in the realm of commercial fishing, though several donors are working in certain areas with artisanal fishermen to establish a local fishing industry. The agro-industrial sector is characterized by small, privately owned and operated concerns such as bakeries and distilleries.

In spite of efforts to stimulate private sector development in Guinea-Bissau, there are a number of constraints which continue to hinder the process. Banking and credit services are not readily available to small producers or entrepreneurs who need them most. Likewise, access to production and/or processing inputs is often limited or extremely expensive. And the lack of trained cadres or skilled manpower continues to block private sector development-initiatives in the country.

In an effort to change this pattern (and as a means of supporting the GOGB's current structural adjustment program) donor agencies should provide increased support for private sector growth. This includes providing consumer goods (needed to stimulate the private sector) or the materials with which to fabricate such goods; providing agricultural and/or agro-industrial credit for needed inputs; and providing technical and managerial training which is sorely lacking throughout the country, and which continues to hamper the ability of local peoples to effectively develop, implement and manage potential enterprises.

C. Program Objectives

As stated above, the overall goal of this project is to strengthen the GOGB's structural adjustment efforts by encouraging growth in the private sector through increased local

26

Second, the majority of the population's lack of experience with the money economy and specialization of function slows the process of adoption of activities which compete for labor with cereal production.

Third, the lack of appropriate educational curricula and instruction and the paucity of private sector employment opportunities which reward those with "modern" skills (even those as fundamental as literacy and numeracy) contribute to both low participation in the educational system and to emigration of the few better trained youth toward towns and cities.

The strategy of the DEPA is to concentrate its efforts on providing training, technical support and material assistance for women and youth, acknowledging their roles as key contributors to the future vitality of the villages of Tombali Region. The DEPA program has therefore been broadened beyond solely focussing on primary production. In its efforts to promote non-agricultural employment and to facilitate increased productivity in the processing of primary produce, DEPA emphasizes the introduction of appropriate technologies to increase rural productivity through its Servico de Apoio pelas Pequenas Iniciativas (SAPI), Service for the Support of Small Initiatives.

The SAPI program, based at the PIC project center at Caboxanque, has been operating for nearly 3 years. SAPI currently works in approximately 65 villages.

A staff of four professionals, six technicians, and eight machine operators are responsible for both animation and extension of technologies promoted. No staff members are presently engaged in systematic technology development, adaptation or evaluation.

In order to fulfill its role as a promoter of cost effective and locally managed economic activity, the SAPI program is implemented in close collaboration with the DEPA Credit Service which monitors all loans and has complete responsibility for collection and financial record-keeping.

The Credit Service is staffed by seven persons at Caboxanque who manage the finances, central records and warehouse, as well as by ten credit coordinators and storekeepers based at six sub-regional centers. Two other agricultural production credit schemes, one for the provision of imported small tools and one for administering land-development loans, are also implemented by this service.

Within the DEPA, SAPI, Credit Service configuration of services, associations and village groups serve largely as a means to insure debt repayment. These government entities lack the personnel, resources, and requisite training to train association members in business planning, bookkeeping, inventory control,

organization/decision making, cash control, credit relations, pricing as well as other business management areas.

Donor support for SAPI and the DEPA credit program has largely been in the form of imported tools and equipment destined for village use. However, for the period of 1987-89, OXFAM-Belgium fielded two expatriate volunteers, one mechanic and one credit specialist. Their placement has resulted in somewhat increased capacity at the Caboxanque workshops and notable improvements in the record keeping of the Credit Service.

The technical support, due to expire during 1989-90, has not significantly broadened the scope of SAPI activities; but management assistance, which will continue, has improved the quality of the interventions.

The SAPI program has succeeded in developing keen enthusiasm among its participants, especially those women who benefit from mechanized rice milling, and those employing extrusion (screw-type) presses for the production of palm oil for both consumption and sale. Despite the demand for their services, both the blacksmithing and bicycle repair activities have been hampered by lack of working materials and inadequate or inappropriate training, especially in simple management skills such as stock control and record-keeping.

Continuing devaluation of the peso and government difficulties in meeting recurrent program costs have impeded the capability of DEPA to replenish SAPI inventories and to provide adequate staff and staff support. Lack of fuel, lubricants, and spare parts, as well as lack of technicians and trainers with means of transport, have also led to underuse of some newly-introduced technologies. The transportation problem and highly centralized approach to project operations, including the deployment of DEPA staff, have also impeded timely distribution of inputs and effective follow-up and provision of technical assistance.

Both implementors and beneficiaries have a strong interest in broadening the scope of SAPI activities, especially in the area of food processing/preservation. Yet lack of capability and experience in the development and testing of newly-introduced technologies has left one of SAPI's major roles unfulfilled. Rather than serving primarily as a means of distribution of proven techniques, there is a need for SAPI to act as catalyst and partner with rural producers in the development and adaptation of techniques which meet the needs and constraints of Tombali Region.

Finally, additional resources are required in the areas of staff deployment and training, improved program planning and monitoring, and logistical support to facilitate contact between SAPI staff and program beneficiaries. Significant increases in

the productivity and quality of extension and technical work will be needed as SAPI activities are expanded beyond the two hundred plus villages currently served by wider DEPA activities in the PIC program area.

b. Purpose

The purpose of the Tombali Sustainable Rural Initiatives Project is to promote the organization of producer and processing associations, through the provision of training, credit and technical assistance, thereby stimulating the vitality of the agricultural economy in the Tombali Region.

c. Objectives

- i. To train 12 local Association Trainers (AT) in the areas of the training of trainers (TOT), association principles and development, business planning, bookkeeping, inventory control, cash control, decision-making, credit relations, record keeping, pricing, marketing as well as other business related skills.
- ii. To field 12 local Association Trainers in the Tombali Region (Quitafine, Quebo, and Cubucare) with self-selected villages and/or groups with an expressed interest in organizing an association centered around a viable economic activity.
- iii. To disseminate information and training to associations in the areas of association principles and development, business planning, bookkeeping, inventory control, cash control, decision-making, credit relations, record keeping, pricing, marketing as well as other business related skills.
- iv. To increase the availability, of appropriate tools and equipment, raw materials and process inputs, and spare parts to production and processing associations, in the Tombali Region on a credit loan basis.
- v. To develop, test, evaluate and disseminate technologies to associations for the preservation or processing of rurally produced perishable produce, especially fruits and vegetables, for sale on regional and/or national markets.
- vi. To support the development of improved marketing infrastructure, both physical and institutional, in order to promote the sale of primary and processed agricultural goods in the regional markets and the availability of productive inputs and consumer goods on the open market in the Tombali Region.

d. Activities

- i. Training of Association Trainers

The creation of a cadre of project Association Trainers will start to fill the void of specific business related training. The GOGB lacks the personnel, resources, and requisite training to train association members in business planning, bookkeeping, inventory control, organization/decision making, cash control, credit relations, pricing as well as other business management areas.

The ATs will be local Guinea-Bissauans selected, trained, and paid by the project to work under the direct supervision of the Project Coordinator who will be located in Caboxanque. They represent the project's direct assistance to the Tombali Region private sector.

The identification, screening and selection of 12 Association Trainers will occur within the first quarter of the first year. The subsequent nine months of training will alternate between classroom sessions/seminars and practical field experiences in villages with associations considering economic activities.

One aspect of the classroom sessions and seminars will include business planning, bookkeeping, inventory control, business decision-making, cash control, credit relations, pricing, and marketing as well as other business management skills. Another aspect will cover andragogy, training techniques, group dynamics, communications, conflict resolution, consultation techniques, and organizational development as well as other process-oriented skills.

The training will be designed to prepare AT trainees for their eventual roles as facilitators, trainers, creative problem solvers, and small enterprise consultants to rural associations.

During the training period (approximately 9 months) AT trainees will be grouped in villages interested in forming an association with the purpose of undertaking a viable economic activity. Each group will return to their village to use their new knowledge to assist the local association.

ii. Fielding of Association Trainers

With the successful completion of AT training, each new AT will be assigned by the project to an association in the Tombali Region. Assignments will be based on requests received directly from associations and in consultation with DEPA/SAPI on the historical and socio-economic aspects of potential participating associations.

Association Trainers will live and work in the village where the association is based. In the case where members are spread over a wide geographic area, the trainer will be located in the village which the association considers its headquarters. The

trainer will be available on a full-time basis to the association to conduct training and assist associations develop into viable economic enterprises.

The Association Trainers will be but one of many resources available to associations desiring to enter the private sector marketplace. They will not be employees of the association and therefore cannot assume responsibility for association decisions and management of the actual economic activity.

They will however have an important role in assisting associations develop the essential research, analysis, decision-making and management skills to operate a viable enterprise.

Approximately every three months all the ATs will meet for additional training to upgrade skills and examine interventions. It will also be a time for collaborative planning and discussions with DEPA/SAPI field agents who will also be invited to participate during these training sessions.

Once an association has mastered the necessary business and organizational management skills, the trainer will then move to another village and association but will remain available to continue assistance on an on call basis.

iii. Association Intervention

The project's intervention will follow roughly six steps the first of which is a series of orientation and get acquainted meetings between the association and the project.

During these initial meetings the project staff will explain the history, philosophy, methodology and the advantages of the project's approach. At the same time project staff will solicit information from the association regarding its history, involvement with the private sector economy, where it sees its future, etc.

In addition, project staff will explain the responsibilities of the association during their participation in the project. These are namely that the association a) organize itself around viable economic activities b) operate on the democratic principles of one person one vote, c) allow every member access to all financial and other pertinent records, d) has an open membership, e) designates members to participate in the project's business training as a fundamental aspect of the project, f) commits itself to debt repayment and g) give logistical support to the Association Trainer in securing housing.

The next step is an AT facilitated analysis of the existing association structure. Through a series of question/dialogues the association will have an opportunity to review the strengths

and weakness of its capacity to manage a viable economic activity.

This association analysis will include an inventory of natural infrastructural, financial and human resources currently at its disposition from members. It is also during this stage that the association will make preliminary selections of economic activities to undertake.

The third step will be assisting the association to conduct a feasibility study on each of their pre-selections to determine their profitability. The feasibility study starts with a detailed description of the business by the members with the facilitation of the Association Trainer.

Once the studies are completed the association can make a decision as to which business activity to undertake considering the resources they have at hand, the availability of those they do not have, and profitability. If they do not have the financial or material resources then they will have the option to submit a business plan to DEPA/SAPI to be considered for a loan under the project's financing to the Credit Service. The AT will take the association through the steps of developing a business plan to submit to the Credit Service or other potential financiers.

If a Credit Service loan is granted, or other financing secured, then the training of association members in the actual management of its resources will begin. This may start with literacy and numeracy training depending on the level of the association's human resource base. The core group of members designated by the association to manage the business will receive training in all aspects of operating the business.

The last step will be the actual implementation of the business plan and formal opening of the business or enterprise to the public. The AT will remain with the association a minimum of 18 months of operations before starting work with another association. This will be to insure that the association receives a full complement of follow-up training related to the business.

iv. Credit System Support

The DEPA Credit Service provides financial services for a variety of production-related activities in Tombali Region, including the SAPI program. Loans for SAPI activities are made in-kind, in the form of tools, equipment or raw materials. Repayment is in cash, payable either by village committees or production groups, depending upon the activity. In the case of artisanal activity, individual participants such as blacksmiths or bicycle mechanics, are responsible for loan repayment through DEPA collection agents.

37

In conjunction with the DEPA/SAPI program, Africare's project will use its resources to support a revolving credit fund for the purchase of equipment and raw materials to be provided to associations participating in the project. The DEPA Credit Service provides the critical link in the distribution and financing of these inputs.

The project and DEPA will jointly implement the input distribution aspect of this activity; procurement will be managed by the project in collaboration with the World Bank's Rural Incentives Program (see Annex K) and actual transfer of inputs and collection of loans will be handled by DEPA credit extension agents, monitored by project personnel. As repayments of loans for project-supplied inputs are made by associations, funds are to be accounted for separately and redeposited in the project/SAPI procurement account in the National Bank for subsequent use in replenishment of stocks.

Throughout Tombali Region, the DEPA Credit Service manages six rural warehouses. These warehouses are primarily used as storage and distribution points for small agricultural tools and also provide the base of operations for sub-regional credit officers who have responsibility for loan collection and monitoring. A warehouse manager is posted at each site. To date, however, although responsibility for collection of SAPI loans falls on the sub-regional field staff, the provision of material inputs and technical assistance for SAPI activities has been managed directly by central office staff at Cotonou.

The credit support activity of the project is designed to increase the capacity of the sub-regional warehouses to serve the needs of producers in their geographic areas. Activities will focus on the expansion and improvement of physical facilities to accommodate a higher volume and wider variety of goods in an organized way, as well as improvement of management and record-keeping functions at this level. The provision of bicycle and moped transport to these field personnel, as well as motorcycles to central Credit Service staff for monitoring and technical assistance is also required to realize the potential for higher productivity in the field.

It is equally crucial to assure adequate training, working facilities and transport to these workers. Extension personnel are the base of the technical and management support structure required for the dissemination and monitoring of newly introduced technologies; without adequate extension the SAPI village program will be unable to reach its intended beneficiaries and unable to ensure the viability of new village enterprises.

As an initial step in increasing the capability of these sub-regional warehouses, a comprehensive assessment of the existing

DEPA credit and warehouse system is to be made. An Africare specialist is to be fielded for two to three months in order to identify specific organizational and procedural issues requiring attention, as well as issues of credit policy which may affect the SAPI program. In addition, this specialist will identify the particular training needs of DEPA staff in order to increase their individual capabilities to support the SAPI credit activity.

The project will also be supported by the posting of a Peace Corps Credit and Marketing Specialist to assist in the management development, training and monitoring activities both within the DEPA structure and at the level of village producers. Thus the credit support activity will concentrate its efforts on the provision of reliable and responsive material, technical and managerial assistance to associations through DEPA subregional warehouses and their staff, in order to promote production and processing in the project area.

v. Introduction of Food Processing Technologies

The success of the Fruticulture Association of Cubucare Sector, and the prospects for that of Quitafine Sector, as well as the trend toward increased production by women's horticulture groups has led to interest in appropriate technologies for the preservation and processing of perishable produce.

Such technologies offer the potential of increasing the ease of marketing highly perishable goods in an area without reliable transport infrastructure and services, of allowing marketing of goods beyond the short harvest season characteristic of many fruit and vegetable crops, and of adding value to local produce within the rural region. In addition, the introduction of such technologies is consistent with the DEPA strategy of promoting group formation and of diversifying opportunities for agriculture related income generation in Tombali Region.

However, since there is little traditional activity in the area of food preservation, this project element will require significant introduction such as training, exposure of PIC staff to new technologies, and importation of prototypes as a prerequisite to effective extension of new techniques (on a credit basis) to village producers.

The food processing technology activity will require the posting of at least two technicians from PIC, whose functions will be to support the technology development, testing work and ultimately the technical assistance aspects of this component. PIC has identified the DEPA Fruticulture Research Station at Coly and the PESCARTE Artisanal Fishing Center at Cacine as centers for its efforts in food (vegetable, fruit and fish) processing. The project will focus on building the capacity of PIC personnel to

undertake this new type of activity, and on providing a resource base - human and material - upon which food processing technologies can be built.

In addition, the project will request the posting of two Peace Corps Volunteers (Appropriate Technology/Food Processing Specialists) to support fruit, vegetable, and fish processing efforts. The importance of adequate staffing, training and material support for these technicians cannot be overstated; without intensive and systematic effort the introduction of viable techniques at the level of village production is unlikely. Continuity, adequate technical skills, and support for experimentation and adaptation are the keys to realizing the considerable potential of this activity.

The initial stages of this project element are to include a market and product study to determine the potential for processing the various agricultural products of the villages of Tombali Region. Potential products include fish, tomato, onion, pepper, banana, pineapple, mango, and honey, as well as other fruits traditionally gathered rather than cultivated. Based on this study, a list of priority products and activities will be established in order to guide technical personnel in selecting the first preservation techniques to be developed.

Subsequently, project technical personnel will be provided an opportunity to familiarize themselves with existing small-scale food processing technologies already employed in other regions of Guinea-Bissau and in neighboring countries if necessary. At the same time attempts will be made to import equipment used in similar food processing activities in other West African countries such as Senegal, Cote d'Ivoire, Ghana, and Nigeria, where rural agro-industry is more common. Thus, by the end of the first year it is expected that the means will be available at Caboxanque, both in terms of skills and equipment, to begin local experimentation with and adaptation of imported techniques to meet local needs, and capabilities.

During the second year, selected equipment may be imported or locally fabricated in order to permit village-based trials of recommended food processing techniques, to assess their technical suitability, economic viability, and acceptance by village producers.

On the basis of these trials, techniques and equipment will be approved for dissemination, on credit, along with training and technical assistance for groups of village women. Years three and four activities may include the introduction of other techniques, after similar testing and evaluation, as well as the wider dissemination of recommended processing technologies in the region.

Finally, the project will assist in the development of links between rural food processing associations and the town and city markets they require as outlets. The project will encourage associations to make commercial contacts, improve product packaging and labelling, and offer credit to support the transport of processed goods.

Although a novel and somewhat speculative endeavor, requiring significant long-term effort and skill development, the food processing activity opens a promising area of growth for future SAPI support, and will build a foundation for the future diversification of agricultural production and agro-industry in rural Tombali Region.

vi. Regional Market System Support

The market system currently in place in Tombali Region is extremely limited. Many small producers are forced to sell produce to travelling merchants or "djilas" who are reported to pay low prices due to the lack of competition among buyers. Others either pay extremely high transport costs relative to the value of their produce in order to carry goods to market centers beyond the region, or merely consume the more perishable produce they would prefer to sell due to lack of markets.

The re-institution of periodic markets or "lumos" which existed in the region until their disturbance and subsequent near disappearance during the late colonial period, is considered by many local residents an appropriate solution to the most common marketing problems of small producers in the region.

The marketing support activity is to promote the reappearance of periodic markets within the region and link this with the development and support of voluntary marketing associations.

The promotion of periodic markets requires significant consideration before taking action. Geographic, transportation, economic, and socio-cultural factors all affect the type and location of markets appropriate to the Tombali Region. Thus, the project includes support for a planning study to establish the need and recommended locations for such markets as well as the type of physical infrastructure required. Additionally, special consideration is to be given to systems of management for any new market structures built and to allocation of responsibility for their regulation.

Should the need for such facilities be established by the study, project resources will be made available to associations on credit for the supply of non local building materials appropriate to the need and level of use anticipated. Management assistance through posting of ATs will be provided to associations which assume responsibility for these markets.

At the same time, logistical assistance during the start-up phase of a marketing association may be appropriate as long as it does not lead to dependence on project or government resources, but rather contributes to increasing the capacity of the association to meet its own needs or solve its own problems. Finally, either a direct credit facility or credit guarantee through the national bank may be appropriate once an association has developed adequate cash flow to support the purchase of its own vehicle, as the fruit growers of Cubucare have done.

In summary then, the market support activity will assist in the development of appropriate physical and institutional infrastructure to facilitate the exchange of local produce within Tombali Region and its entry onto the wider national market.

3. Implementation Plan

a. Implementation Approach

1. Year One

The first year of the Tombali Sustainable Rural Initiatives Project is principally devoted to a) the training of Association Trainers and GOGB personnel, b) the development of intervention approaches and c) the installation of necessary infrastructure. As such, activities for this year are composed of training, baseline surveys and studies, development and testing of methodologies and techniques, and construction.

TRAINING Association Trainers

The identification, screening and selection of 12 Association Trainers will occur within the first quarter of the first year. The subsequent nine months of training will alternate between classroom sessions/seminars and practical field experiences in villages with associations considering economic activities.

One aspect of the classroom sessions and seminars will include business planning, bookkeeping, inventory control, business decision-making, cash control, credit relations, pricing, and marketing as well as other business management skills. Another aspect will cover andragogy, training techniques, group dynamics, communications, conflict resolution and organizational development as well as other process-oriented skills.

Association Trainer trainees will be grouped in villages interested in forming an association with the purpose of undertaking a viable economic activity. Each group will return to their village to use their new knowledge to assist the local association.

DEPA/SAPI Agents

Training for both DEPA/SAPI agents in year one will be required to effectively upgrade or strengthen the current skill level of collaborating project technicians.

Skill improvement curricula will include appropriate training in credit administration, general management and record keeping, extension methodology, relevant technical topics, accounting and inventory control. This training will be provided through short and long-term courses administered in country. Additionally, study tours (in Guinea-Bissau and possibly neighboring West African countries) will be undertaken.

The purpose of these tours is to provide the DEPA/SAPI/PIC technicians with basic exposure to technologies, methodologies, processes and machinery; and allow them to test or borrow prototypes which may be appropriate for replication in Tombali Region. Overall, it is expected that this initial training will provide the skills base required to implement the project.

b. Development of Intervention Approaches Studies

In order to effectively develop credit policies, procedures, record-keeping systems, etc., an external assessment of the DEPA credit (and warehouse) system will be undertaken. The assessment will attempt to identify particular policy, procedural, skill development, and logistical support interventions which will be required in order to increase credit capabilities in the region. The study will also examine credit and savings practices among the targeted population. Of interest here will be those factors which motivate local people to save, to pay their debts and use credit. The consultant will work with the DEPA/SAPI staff to successfully target specific needs and to assist in building a viable regional credit strategy and implementation plan.

In addition to credit program studies, several baseline surveys must be undertaken before interventions can be defined and implemented. The surveys will be used to identify the problems and needs of the project's target population; to clearly indicate the status of the targeted community and the potential scope of the proposed intervention; and to provide data which will be used in the selection of pilot or target areas.

EXTENSION

Some extension services will be rendered during year one of the project, with further extension activity coming underway once project elements are more clearly defined by the aforementioned studies. Initial extension activities will principally revolve

around the provision - on a credit basis - of rice mills, oil presses, nut crackers, tools and raw materials as production inputs. In addition to these, new technologies, methods, and prototypes, as identified and initially tested earlier in the year, will begin to be disseminated to villagers. This includes such things as fish drying and smoking techniques, food processing, soap making, etc.

c. Construction

Construction activities for year one are straight forward. They include: construction of the Project Coordinator's house; completion of construction and equipping of the Cacine Artisanal Fisheries Center; upgrading of the central warehouse at Caboxanque; and construction of the first rural market structure.

ii. Years Two, Three and Four

In year two, Association Trainers will be assigned by the project to associations in the Tombali Region. Assignments will be based on requests received directly from associations. The project will seek guidance from DEPA/SAPI on the socio-economic and historical aspects of potential selections.

Association Trainers will live and work in the village where the association is based. In the case where members are spread over a wide geographic area, the trainer will be located in the village which the association considers its headquarters. The trainer will be at the full disposition of the association to conduct training and respond to issues when they arise.

Once an association has mastered the necessary business and organizational management skills, the trainer will then move to another village and association but will remain available to assist with periodic questions.

The remaining three years of the project vis-a-vis DEPA/SAPI extension work in improved food technologies and credit management will effectively be developed from the studies and experimentation undertaken in year one. Implementation projections can be made; however, program priorities and detailed intervention descriptions will be developed during the first year of project implementation. In general, activities for years two and three will be as follows:

a. Studies

While no specific surveys are to be undertaken after year one, on-going collection of data will be required to effectively implement and refine project activities, as well as to monitor the program's effectiveness. This data will include information such as market supply, demand and prices for goods being produced

under the project; and the adoption and effectiveness of new technologies being promoted. The information will be used to more clearly delimit required technical and other interventions as the project progresses.

b. Construction

All projected construction should effectively be finished by the end of year two. These activities are simply to include improving the other five DEPA warehouses. And to construct no more than six local market structures.

IMPLEMENTATION SCHEDULE

1. STUDIES

- a. Baseline Data:
 - Rice Market Prices (rural & urban)
 - Rural Income
 - Entrepreneurial Activity
- b. Credit/Marketing:
 - Assessment of Credit Service
 - Study of Village Savings Schemes
 - Market Feasibility Studies
- c. Technical/Equipment
 - equipping/staffing Caboxanque wkshp
 - soap making test/trials
 - assess hydraulic kernel oil press
 - develop/test local processing prototypes
 - village trials of selected methods
 - test/adapt imported processing devices

2. TRAINING

- a. Association Trainers
 - base training
 - refresher courses
- b. PIC Staff Training
 - identify venues for study-tours
 - tour/investigate soap making methods
 - tour/investigate food processing tech.
 - tour/blacksmithing
 - tour/fish processing
 - credit management
- c. Association Training
 - association philosophy/principles
 - business and management
 - production/processing techniques

	YEAR 1				YEAR 2				YEAR 3				YEAR 4			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
a. Baseline Data:																
- Rice Market Prices (rural & urban)	x	x	x	x												
- Rural Income		x	x													
- Entrepreneurial Activity		x	x						x							x
b. Credit/Marketing:																
- Assessment of Credit Service	x															
- Study of Village Savings Schemes		x	x													
- Market Feasibility Studies		x	x		x	x	x	x	x	x	x	x	x	x	x	x
c. Technical/Equipment																
- equipping/staffing Caboxanque wkshp		x	x													
- soap making test/trials			x	x												
- assess hydraulic kernel oil press			x	x	x	x	x									
- develop/test local processing prototypes			x	x	x	x	x									
- village trials of selected methods			x	x	x	x	x									
- test/adapt imported processing devices			x	x	x	x	x									
2. TRAINING																
a. Association Trainers																
- base training	x	x	x	x												
- refresher courses					x	x	x	x	x	x	x	x	x	x	x	x
b. PIC Staff Training																
- identify venues for study-tours	x															
- tour/investigate soap making methods		x	x													
- tour/investigate food processing tech.		x	x													
- tour/blacksmithing		x	x													
- tour/fish processing		x	x													
- credit management		x	x													
c. Association Training																
- association philosophy/principles					x	x	x	x	x	x	x	x	x	x	x	x
- business and management					x	x	x	x	x	x	x	x	x	x	x	x
- production/processing techniques					x	x	x	x	x	x	x	x	x	x	x	x

4/

IMPLEMENTATION SCHEDULE

	YEAR 1				YEAR 2				YEAR 3				YEAR 4			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
3. CREDIT																
- establish credit system																
- implement accounts, records, status, etc.			xxx	xxx												
- import equip/tools - R.I.P.			xxx		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
- improved distribution of goods to stores			xxx	xxx			xxx				xxx				xxx	
- management assistance/monitoring					xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
- loan collection/monitoring					xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
4. CONSTRUCTION																
a. Improvement of:																
- central store (Caboanque)			xxx	xxx												
- Cubucare stores							xxx	xxx								
- Quebo & Cacine stores							xxx	xxx								
b. Construction of:																
- expat coordinator's house			xxx													
- complete/equip Cacine Center			xxx	xxx	xxx											
- primary markets					xxx	xxx										
- secondary markets							xxx	xxx	xxx	xxx						
5. REPORTS/EVALUATIONS																
- Africare Quarterly Reports		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
- internal reviews			xxx				xxx				xxx				xxx	
- final evaluation																xxx

28

F. Assumptions:

The most important assumptions about this project are that:

- a. That individual rural producers and processors continue to seek to increase their incomes by organizing themselves into business oriented groups and associations.
- b. The candidate pool for Association Trainers is sufficiently large as to guarantee 12 highly motivated, quick learning, articulate, and literate trainees willing to work in the rural South.
- c. The Credit Service adopts the credit/marketing consultant's recommendations to strengthen its services to the Region.
- d. The Rural Incentives Program continues to operate in the Tombali Region as an efficient import mechanism.
- e. The monetization process will function smoothly on an annual basis.

G. End of Project Status

The twenty-five Associations that directly benefit from training in business and management, improved production and processing, and credit will be autonomously managed by their members. These Associations will continue engaging themselves in profitable economic activities after the life of the project.

Although the project cannot determine how Associations distribute their profits, it is expected that Associations will retain 15% of their profits in savings and reinvest 85% in another economic activity and/or a local development project of their choosing.

Approximately 750 Association members will be functionally literate and possess the business and management skills to run small profit-seeking enterprises. Associations will have \$500,000 in a revolving fund with the Credit Service at the end of the project.

It is expected that Association Trainers will form a training service which offers training to new and existing Associations. Large Associations, NGOs and other donors would contract with this service to conduct training or serve as local consultants for rural association development.

The Market Infrastructure will have at its disposal at least 11 constructed markets. These markets will encourage the sale of locally produced and/or processed goods after the life of the project.

II. Linkage with Other Development Activities

The Africare Tombali Sustainable Rural Initiatives Project will be a smaller, discreet component of a larger on-going activity in the region of Tombali, namely the Integrated Project of Caboxanque (PIC). Africare's project will be closely interwoven with this on-going activity so as to complement and reinforce the effectiveness of activities which are currently being supported in PIC by PESCARTE, the GOGB's Directorate for Artisanal Fisheries under the Secretary of State of Fisheries and DEPA, the Ministry of Rural Development's arm for agricultural research and extension.

1. Cooperating Agencies/Organizations

a. Integrated Project of Caboxanque (PIC)

PIC came into existence in 1978 as an integrated rural development initiative in the region of Tombali, having received its first source of funds from the Ecumenical Council of Churches. Under the tutelage of the Ministry of Plan (MOP), and with assistance from other ministries, such as the Ministry of Rural Development and Agriculture (MDRA), other NGOs, bi-lateral and multi-lateral aid. PIC has continued to grow over the years, touching numerous persons throughout the Tombali Region. Based in Caboxanque, the project has instituted a successful framework for undertaking any number of rural-based, village initiatives, in a variety of activities. To date PIC has assisted the people of Tombali in improving the quality of their lives with activities in the following areas:

Rural Development:

Provision of rice dehullers; palm oil presses; animals for animal traction; animal vaccination; rural credit for on-farm and agro-processing materials and inputs; research in improved seeds and agricultural methodologies; assistance in the commercialization of agricultural and other products.

Primary Health Care:

Education in prevention techniques for prevalent rural illnesses such as malaria, and diarrhea; construction of wells and latrines and education in their proper use (sanitation and hygiene); training of midwives; and vaccination campaigns.

Vocational Training:

Providing training for masons, mechanics, basic accountants, metalworkers, etc., at the Experimental Center for Community Training (CEFC) in Bedanda, according to regional needs.

Public Works:

Construction and/or repair of rural roads, bridges and ports so that the region's infrastructure will enable it to sustain greater economic and other activity.

Artisanal Fishing:

Providing material and financial support for artisanal fishermen.

Rural Transport:

Providing means (small carts and trucks) for rural producers to begin to have access to local and other markets in Guinea-Bissau.

While PIC has touched hundreds of villages and thousands of people in Tombali Region, there still remains vast opportunity to strengthen and extend this work. The region of Tombali continues to suffer from a serious lack of physical and economic infrastructure which impedes economic development in the area.

As PIC's work involves a number of other organizations, Africare will also cooperate with these institutions and organizations in implementing this activity.

b. MDRA/DEPA

DEPA is the MDRA's arm for coordination of agricultural research and extension activities. It has had the predominant coordinating role with PIC since the project's inception. Principally, there are three services under DEPA (one research and two extension) with which Africare will join activities. They are:

1. Service for the Support of Small Initiatives (SAPI)

SAPI is the service that bears direct responsibility for the identification and dissemination of appropriate technologies which can be used to facilitate increased rural productivity. SAPI has been operational at the PIC site for the past three years and has supported activities in approximately 65 villages in the following areas: rice milling, palm oil production, palm nut shelling, village blacksmithing, bicycle repair, animal traction, etc. Africare would like to not only extend these activities to more villages; but to also introduce new activities with SAPI in the area of food processing.

2. Credit Service-(DEPA)

This service was developed to help DEPA fulfill its role as a promoter of cost effective, locally managed economic activities. As such the credit service monitors all loans and has responsibility for collection and financial record-keeping. Currently the service is staffed by seven people at Sabonango who manage the finances, central records, and warehouse; and ten credit

coordinators and storekeepers based at six sub-regional centers. The service also implements two additional agricultural production credit schemes: one for administering land development loans and one for the provision of small imported tools. Africare would like to strengthen this service by identifying policy, procedural, skill development and logistical support interventions that are necessary to increase the service's capability. (Based on the findings and recommendations, the credit activities will also be replicated in the artisanal fishing component of the project.)

3. Office of Socio-Economic Studies (GESE)

As DEPA's arm which handles regional socio-economic studies, GESE will co-assume responsibility for the research and planning studies required by the Africare project. GESE has a team based in Caboxanque and village-level researchers posted throughout the field. (Where additional input is needed, Africare will obtain the services of advisors from the National Institute for Studies and Research, [INEP].)

DEPA will be the principal institution involved in the implementation of the SAPI component. Local coordination and management of activities will be handled by senior staff at Caboxanque. The staff of both the Credit Service and SAPI are part of the Extension Department and are answerable to the Chief DEPA Extension Officer at Caboxanque; therefore, little difficulty in day-to-day coordination is anticipated.

From these two DEPA extension services the project will require the assignment of one technician to staff the planned food processing technology development facility at Coly.

Research and planning studies required through the project period are to be implemented by GESE.

Logistical and technical support from DEPA headquarters in Bissau will be required for activities which need technical exchange with other regions of Guinea-Bissau, as well as for the importation of tools and equipment to be used during project implementation. Assistance from the Ministry of Rural Development will be solicited for arrangements of study tours to neighboring countries.

c. PESCARTE

PESCARTE is the GOGB's Directorate of Artisanal Fisheries and Projects under the Secretary of State for Fisheries. (The service was formerly under the MDRA.) Africare will work with PESCARTE technicians, through PIC, at the Cacine Center for Artisanal Fishing. The PESCARTE team will be responsible for providing technical assistance to fishermen and fish processors.

In order to strengthen delivery of these functions, Africare's project will provide specialized training.

Several other opportunities for collaboration with existing organizations and their on-going activities in the region also exist. They include the following:

d. Experimental Center for Community Training (CEFC)

Operational since 1985, CEFC has enjoyed a close relationship with the PIC project. Based in neighboring Bedanda, CEFC is the primary regional center which provides technical training and assistance in areas such as carpentry, construction, mechanics, bookkeeping, etc.; and has facilities for project-supported training activities, workshops and lodging. Where localized training is needed, Africare will work directly with the CEFC staff to formulate appropriate work plans and coordinate training programs.

e. Association for the Support of Popular Production (AAPP)

AAPP, based in Catio, supports a variety of small-scale productive activities by providing necessary inputs on a commercial basis and in turn marketing the locally fabricated products. Once AAPP's plans for the coming years are firmly established, possibilities for joint importing and/or marketing of products for activities supported by Africare represent sound possibilities.

f. World Bank Rural Incentives Program

The Rural Incentives Program is intended to stimulate the expansion of production and income in the agricultural sector. As such, the program will provide essential financing for the supply of goods until the expansion of production generates increased flows of goods into the agricultural sector. Africare (as an intermediary for village-level groups) will collaborate with RIP, which will provide the hard currency exchange mechanism to import much-needed inputs such as fishing equipment, rice mills, etc., for provision on a credit basis, to participating associations.

I. Monitoring and Evaluation Plan

Project monitoring will be on-going at the local level by the Project Coordinator posted to Caboxanque and by Africare's Country Representative in Bissau. The Project Coordinator will be required to submit monthly progress reports to the Country Director, outlining accomplishments, constraints/problems, intended plans for next month's implementation, etc. Likewise, the Coordinator will be responsible for ensuring that baseline

data, such as demand for the goods being produced under the project, dissemination and adoption rates for new technologies being promoted, increased production levels and the impact of training, are being collected so that they may be used in the project's evaluation as a basis for recommendations and/or modifications in the project's design.

The Country Director will be responsible for submitting quarterly progress reports to USAID/Bissau and Africare/Washington.

The project intends to generate its local currency resources through the sale of P.L. 480, Title II commodities on an annual basis (one shipment/sale per year for three years). As such, Africare will monitor local market prices for the imported commodity, after each shipment, for a period of up to three months, to verify that the imported commodity has no negative impact on local production and marketing (price) patterns. (In accordance with P.L. 480 regulations, Africare will submit an annual report which will describe the use of the commodities, and the proceeds generated by the sale of these commodities.)

In years one and two there will be an internal review of the project. The purpose of these reviews is to determine if and how project objectives are being met; and to make recommendations for the project's continued implementation.

A Final Evaluation will be scheduled near the project's end to assess the overall impact of the project activity. Data gathered during project planning and implementation will serve as baseline criteria which will be used to assess overall project accomplishments. The evaluation will involve the participation of USAID/Bissau and outside evaluators to provide objectivity. A final report will then be produced and submitted.

J. Phase-over/Phaseout Plan

The Tombali Sustainable Rural Initiatives Project is a targeted intervention which is to last for a period of four years. Within the four year implementation period, the project will provide on credit, a number of needed inputs to producer and processor associations in the region, thereby enabling them to become more active and more gainful participants in the newly emerging economy of rural Guinea-Bissau.

The project will also provide technical and managerial training so that participating associations will be able to effectively operate and maintain their equipment; and, so they will be more capable of managing their operations, both financially and logistically. The dissemination of credit and appropriate technologies to foster rural industries and provide non-farm employment, combined with proper training programs, should give Tombali's rural producers and processors the leverage they need

to actively and autonomously pursue non-farm, income-generating activities on a more economically productive basis.

Likewise, the program should begin to address such chronic problems as rural exodus and mass un/under-employment which currently impede rural economic growth throughout much of Guinea-Bissau. Africare therefore expects to phaseout of this project at the end of year four, turning the activities over to a rural population which is better prepared to sustain their improved standard of living and quality of life.

Where continued inputs or expertise are needed, the local services of PIC will be able to provide it. PIC-associated staff will have benefitted from training to upgrade their skills; they will have better workshops to develop and test newer and improved production and processing inputs; and improved, better-supplied warehouse stores to service an increasing rural demand for consumer goods and production inputs.

By ensuring that both the local people and the regional representatives of the services which work locally are strengthened, it is practical to assume that Africare will be able to relinquish its role in the regional economic activities of Tombali at the project's end.

B. Host Country Contribution

- * Services of: PESCARTE, DEPA (SAPI, Credit, GESE) and CEFC
- * Workshop/Training Center at Caboxanque and staff (DEPA)
- * Vocational Training Center (CEFC) at Bedanda and staff
- * Workshop/Traning Center at Coly and staff (DEPA)
- * Artisanal Fisheries Workshop/Training Center at Cacine and staff, including Regional Director (PESCARTE)
- * Six Warehouses/stores at: Caboxanque, Cafal, Quebo
- * Additional staff affected directly to project:
 - . One Food Processing Technologist (at Coly) - DEPA
 - . One Fishing Technology Specialist PESCARTE
 - . One Fish Preservation Specialist - PESCARTE

C. Other

- * Peace Corps

The project will request the placement of three Peace Corps Volunteers as follows:

- . One Appropriate Technology/Food Processing Specialist at Coly (DEPA).
- . One Credit/Marketing Specialist at Caboxanque (DEPA).
- . One Appropriate Technology/Food Processing Specialist at Cacine (PESCARTE).

E. BUDGET SUMMARY - HARD CURRENCY (incl. Afr/GB operating costs for year one)

DESCRIPTION	YEAR ONE	YEAR TWO	YEAR THREE	YEAR FOUR	TOTAL
I. SALARIES	97,200	34,320	35,693	46,121	213,333
II. BENEFITS/RECRUITING	33,960	14,071	14,634	15,219	77,885
III. TRAVEL & RELOCATION	96,172	1,320	6,652	5,797	109,941
V. OTHER DIRECT COST	27,143	2,640	2,904	3,194	35,881
VI. EQUIPMENT	46,200	0	0	0	46,200
VII. SUPPLIES	5,100	1,320	1,452	1,597	9,469
VIII. CONSTRUCTION	10,000	0	0	0	10,000
IX. TOTAL DIRECT COSTS	315,775	53,671	61,335	71,929	502,710
X. INDIRECT COST					
Level I 32.41%	82,475	16,967	19,408	22,794	141,645
Level II 16.21%	9,937	214	235	259	10,645
TOTAL INDIRECT COSTS	92,412	17,181	19,643	23,053	152,290
XI. TOTAL PROJECT COST	408,187	70,852	80,978	94,982	655,000

Tombali Sustainable Rural Initiative Program

Table of Contents

I.	<u>INTRODUCTION</u>	1
II.	<u>THE ECONOMY</u>	1
III.	<u>THE RURAL SECTOR</u>	2
IV.	<u>THE PROJECT</u>	3
V.	<u>ECONOMIC ANALYSIS: FRAMEWORK AND METHODOLOGY</u>	3
VI.	<u>PROJECT IMPACT</u>	4
VII.	<u>SUMMARY OF BENEFITS, JUSTIFICATION AND RISKS</u>	5
	A. Project Benefits	5
	B. Justification	5
	C. Risks	5

I. INTRODUCTION

Africare's Tombali Sustainable Rural Initiatives Program in Guinea-Bissau has the purpose to promote the organization of producer and processing associations, through the provision of training, credit and technical assistance, thereby stimulating the vitality of the agricultural economy in the Tombali Region. Even though the purpose of this annex is to assess whether the proposed project will contribute significantly to the development of the region, and verify that its contribution will be great enough to justify using the scarce resources needed for implementation, it is of paramount importance that this analysis be preceded by a presentation of the general economic climate prevailing in Guinea-Bissau and that major facets of the rural sector as a whole be presented.

II. THE ECONOMY

Guinea-Bissau is a small country (36,125 km²) located on the West African Coast between Senegal and Guinea with a population of about 900,000 inhabitants, of which over 80% live in rural areas. An estimated per capita income of only US\$185 places the country among the poorest in the world. The economy is characterized by a large traditional sector, producing primarily for self-consumption. Accordingly, measurements of economic activity are subject to an unusual degree of uncertainty. The primary sector -- agriculture, fisheries, livestock, and forestry -- accounts for 90% of employment, 60% of GDP, and 75% of foreign exchange earnings. The marketed portion of total agricultural output is relatively small and largely confined to export crops, while rice -- sufficient in rural areas -- is imported to make up for the deficit in urban centers. The scarcity of manufactured goods has contributed to the low level of monetization and market activity.

After independence in 1974, Guinea-Bissau adopted an ambitious public investment program that focussed on the manufacturing sector, neglected agriculture and resulted in a large external debt. An overvalued exchange rate and inappropriate pricing policies, coupled with an inefficient marketing system, contributed to the deterioration of the agricultural sector. These factors also depressed exports, stimulated growing parallel markets, and led to an increased dependence on foreign aid for financing a large share of the imports of basic necessities. A rapid increase in National Bank credit to the Government fueled domestic inflation, which in turn increased the overvaluation of the exchange rate. At the same time, the external debt payment situation remained tenuous, with mounting arrears. As a result, imports had to be rationed and farmers were unable to find desired consumer goods and the necessary farm implements needed for more productive agriculture. The economic situation was aggravated by unfavorable circumstances outside the control of authorities, especially drought and, at times, depressed market prices for the country's main exports.

In 1983, the Government adopted a market-oriented, agriculture-based development strategy through a stabilization program designed to correct

price distortions and improve efficiency in the management of public sector finances.

The recovery process was generally maintained in 1984, but lost momentum in 1985 and 1986, partly because of unexpected adverse exogenous factors, including depressed world prices for palm oil, groundnuts, and cotton; but primarily due to implementation delays and insufficient adjustment measures. While weekly devaluations continued at an annual rate of 50%, domestic inflation, fed by excessive expansion of credit to the Government kept the differential between parallel market and official exchange rates unchanged at about 3-to-1. Although consumer and farmgate prices increased generally in line with inflation, parallel markets for key goods continued to thrive and continuing shortages of inputs and consumer goods reduced farmers' incentive to produce. Furthermore, the composition and level of public investment remained inappropriate, contributing to a large Government deficit.

Although the measures adopted since launching the adjustment program in December 1983 have had some positive impact on the level of agricultural output, serious economic imbalances still confront the country.

In light of these prevailing economic conditions and to tap at the potential of the agricultural sector, the Government has adopted a new development strategy in which lies the following fundamental objectives:

- (i) strong expansion of agricultural output and exports, based on the country's comparative advantage in low-cost production of cashew nuts, palm kernels, and groundnuts, and an opening of the economy to the pressures of market forces;
- (ii) retrenchment of the public sector towards the provision of basic infrastructure in support of production and exports;
- (iii) redeployment and strengthening of basic agricultural services and institutions (training, extension, credit); and
- (iv) strengthening of production incentives.

Africare's Tombali Sustainable Rural Initiatives Program has been designed with these objectives in view. The program is intended to contribute to the Government's main development strategy through the optimal use of available human and financial resources.

III. THE RURAL SECTOR

Agriculture dominates Guinea-Bissau's economy, providing a livelihood for 80% of the population and generating approximately 60% of GDP and 90% of exports. The crop sub-sector contributes approximately 55% of the sector's GDP, fisheries and forestry 7%, and livestock 38%.

Of the 300,000 ha under cultivation, 120,000 ha are under flooded rice (105,000 ha) and rainfed rice (15,000 ha); 90,000 ha are under rainfed

cereals (sorghum, maize, millet), 60,000 ha are under groundnuts, and about 20,000 ha are under tubers, legumes and fruits (cashew nuts and bananas). Agricultural practices are still traditional in nature, and productivity is constrained by a lack of incentives and inputs, and poor support services -- except perhaps in the small pockets of specific development projects.

IV. THE PROJECT

As stated in the project proposal, the purpose of the Tombali Sustainable Rural Initiatives Project sets out to promote organization of producer and processor associations, through provision of training, credit and technical assistance to the region's agricultural economy.

V. ECONOMIC ANALYSIS: FRAMEWORK AND METHODOLOGY

In general terms, the objective of project economic analysis is to provide the standard against which costs and benefits are defined, whereby a benefit is categorized as anything that contributes to an objective and a cost as anything that reduces an objective. Because the Tombali Sustainable Rural Initiatives Program in Guinea-Bissau focuses more on strengthening regional agricultural institutions and services through technical assistance, training and extension, it does not lend itself to "traditional" methods of economic analysis and makes the calculation of key indicators of project performance such as economic rate of return (ERR), inflows and outflows of resources, benefit-cost, financial and efficiency ratios, difficult to undertake. Since association activities will only be defined after the association is formed, an economic analysis focusing on tangible and intangible benefits is clearly more appropriate in this case and would best demonstrate the viability of the project. Sustainability and viability as defined in this analysis refers to the maintenance of an acceptable net flow of benefits throughout the economic life of the project. In assessing sustainability, this analysis relies upon a qualitative examination of project activities which will transpire during the project cycle.

A rigorous financial analysis can be performed as soon as all surveys planned during the 1st year of the project cycle are completed and actual participants, target areas, project activities and all project related inflows and outflows have been specified. This analysis should include: (a) an assessment of financial impact based on the analysis of each association's current financial status and on a projection of its future financial performance as the project is implemented; (b) a judgement of efficient resource use; (c) an assessment of incentives to participating associations; (d) the provision of a sound financial plan determining the amount and timing of investment by participating associations and for setting repayment terms and conditions for the credit extended to support the investment; and (e) an assessment of financial management competence which will estimate the complexity of the financial management the project will require, and estimate the capability of those who will manage its implementation.

Such an analysis will therefore make use of technical, financial and economic attributes (yields, input, output, prices, taxes ^{1/}, interest rates etc..) and generate the incremental flow of costs, benefits, and ratios which will attest to the financial viability of specific project activities.

VI. PROJECT IMPACT

Because the purpose of the Tombali Sustainable Rural Initiatives Project is to promote organization of associations with small-scale enterprises which will develop the local agricultural economy through the processing and marketing of primary produce, production of appropriate tools and equipment, and provision of credit and market infrastructure in the Tombali Region, a meaningful assessment of program impact is best made through the identification of tangible and intangible benefits.

The twenty-five Associations that directly benefit from training in business and management, improved production and processing, and credit will be autonomously managed by their members. These Associations will continue engaging themselves in profitable economic activities after the life of the project.

Although the project cannot determine how Associations distribute their profits, it is expected that Associations will retain 15% of their profits in savings an 85% reinvested in another economic activity and/or a local development project of their chosing.

Approximately 750 Association members will be functionally literate and possess the business and management skills to run small profit-seeking enterprises. Associations will have \$500,000 in a revolving fund with the Credit Service at the end of the project.

It is expected that Association Trainers will form a training service which offers training to new and existing Associations. Large Associations, NGOs and other donors would contract with this service to conduct training or serve as local consultants for rural association development.

The Market Infrastructure will have at its disposal at least six constructed markets. These markets will encourage the sale of locally produced and/or processed goods after the life of the project.

^{1/}Taxes and prices contingencies will not be taken into account, in the case of an economic analysis.

VI. SUMMARY OF BENEFITS, JUSTIFICATION AND RISKS

A. Project Benefits

In general, agricultural productivity cannot increase significantly where basic agricultural services are weak, where access to the requisite inputs is difficult, and where marketing channels are uncertain. Under these conditions, there are neither the means nor the incentives to produce a surplus.

The proposed project is geared to help address these problems. The project, should greatly contribute to the well-being of a large number of rural families and to overall agricultural development in the Tombali Region. It will make agricultural services available with the aim of increasing participating associations' productivity, raising their incomes and bringing them gradually into the market economy. The strong emphasis on training and technical assistance will greatly enhance the capabilities of PIC staff assigned to the project, and strengthen the skills of regional producers and processors associations. The project would also make important advances towards improved accessibility to markets, inputs and services provided by Government entities which -- up to now -- have been highly centralized and/or not available.

B. Justification

Owing to the selfdetermination of the associations and their choice of specific activities, no attempt has been made to estimate an ERR for the project as a whole. Rather, the justification for the need and the viability of the project, has been based on a qualitative assessment of above-mentioned tangible benefits.

C. Risks

The most important assumptions and therefore risks about this project are:

- a. That individual rural producers and processors continue to seek to increase their incomes by organizing themselves into business oriented groups and associations.
- b. The candidate pool for Association Trainers is sufficiently large as to guarantee 12 highly motivated, quick learning, articulate, and literate trainees willing to work in the rural South.
- c. The Credit Service adopts the credit/marketing consultant's recommendations to strengthen its services to the Region.
- d. The Rural Initiatives Program continues to operate in the Tombali Region as an efficient import mechanism.
- e. The monetization process will function smoothly on an annual basis.

A final risk concerns the potential prolongation of the difficult macroeconomic situation currently prevailing in Guinea-Bissau. This risk is minimized, however, by the fact that the Government is presently taking drastic steps to improve public finance management and create an economic environment conducive to the promotion of agricultural activities.

LOGFRAME

ANNEX A

TOMBALI SUSTAINABLE RURAL INITIATIVES

NARRATIVE SUMMARY

OBJECTIVELY VERIFIABLE INDICATORS

MEANS OF VERIFICATION

IMPORTANT ASSUMPTIONS

*GOAL

To strengthen the GOGB's efforts under its economic reform program by encouraging private sector investment and growth and fostering greater economic growth, especially in agriculture and fisheries.

*

Increased rural private sector participation on the part of processors and producers.

*

-GOGB Statistics/Reports
-World Bank, FAO and other multi-lateral reports.

*

GOGB continues to implement a development strategy which stresses agricultural sector and fisheries production.

*

Expansion of local markets and marketing activity as a result of increased levels of agricultural, agro-industrial and fish products for purchase.

¶

The national economic policy environment is amenable to rural producers and processors and encourages them to: increase levels of productivity; and to become more actively involved in the privatization process.

¶

*PURPOSES

To promote the organization of producer and processing associations, through the provision of training, credit and technical assistance, thereby stimulating the vitality of the agricultural economy in the Tombali Region.

*

Appropriate training programs in support of business oriented associations designed and operational.

*

-Trainee evaluations
-Training plans
-Training materials
-Association records

*

Individual rural producers and processors continue to seek to increase their incomes by organizing themselves into associations.

¶

*

Credit (in-kind) programs in support of business oriented associations designed and operational.

*

-Credit Service reports
-Association records

*

Appropriate training programs in support of improved production and processing techniques designed and operational.

*

-Trainee evaluations
-Training plans
-Training materials
-DEPA reports
-Association records

¶

v. To develop, test, evaluate and disseminate technologies to associations for the preservation or processing of rurally produced perishable produce, especially fruits, fish and vegetables, for sale on regional and/or national markets.

- Market and feasibility studies conducted
- DEPA/PESCARTE technicians trained
- Prototype technologies imported
- Workshop established at Coly
- Local technology developed and tested
- Approved technologies disseminated to associations

- Preliminary Study findings
- Association reports
- On-going monitoring
- DEPA reports
- AID/GOGB Evaluations

The spread of technical innovations will have positive effects and serve as a catalyst for the modernization process in rural areas; and that these changes will be supported by the GOGB.

vi. To support the development of improved marketing infrastructure, both physical and institutional, in order to promote the sale of primary and processed agricultural goods in the regional markets and the availability of productive inputs and consumer goods on the open market in the Tombali Region.

- periodic markets reinstated
- producers and processors selling from common location

- Preliminary Study findings
- Association reports
- DEPA reports
- AID/GOGB Evaluations

Associations continue to consider local periodic markets important and are interested in constructing and operating them.

***INPUTS**

AFRICARE:

-Personnel and associated costs	\$ 638,165
-Training	16,500
-Other Direct Costs	161,506
-Equipment	572,740
-Supplies	175,989
-Construction	173,460
-Indirect Costs	249,651
-PROJECT GRAND TOTAL: (includes \$1,563,852 PG generated from the annual sale of PL480, Title II commodities & \$124,159 USD)	\$1,988,011 =====

- Local Currency Budget
- Hard Currenc. Budget
- Financial records and reports
- Commodity Status Reports
- Commodity Loss & Damage Reports
- Annual Monetization Report

OAR and DCC timely approval of project proposal

Requested commodity is available for monetization

Monetization mechanism functions smoothly on an annual basis

Hard currency funding source available

Tombali Sustainable Rural Initiative Program

Economic Analysis

GOGB:

***Workshop/Training Center at
Caboxanque + staff (DEPA)**

***Vocational Training Center
at Bedanda + staff (CEFC)**

***Workshop/Training Center at
Coly + staff (DEPA)**

***Artisanal Fisheries
Workshop/Training Center at
Cacine + staff (PESCARTE)**

***6 warehouses/stores**

***Additional staff:**

- 1 Food Processing
Technologist (DEPA)**
- 1 Fishing Technology
Specialist (PESCARTE)**
- 1 Fish Processing
Specialist (PESCARTE)**

OTHER

3 Peace Corps Volunteers

- 2 Appropriate
Technology/Food Processing
Specialists**
- 1 Credit/Marketing
Specialist**

-CEFC/DEPA/PESCARTE reports

-Africare Quarterly Reports

**GOGB civil servant hiring
freezes/cuts do not affect
project personnel
requirements.**

**Civil servants' salaries are
satisfactory so that they
remain motivated to see
project implementation
through.**

Africare Quarterly Reports

**Peace Corps Volunteers with
requisite skills available
for placement.**

**Peace Corps/Bissau willing
to place volunteers in
Tombali Region.**

62

Tombali Sustainable Rural Initiatives Project

Social Soundness Analysis

I. HISTORICAL AND CULTURAL BACKGROUND OF PROJECT AREA

Tombali Region is situated in the extreme Southwest of Guinea-Bissau. One of the country's eight administrative regions, Tombali has its capital in the town of Catio, and includes the sectors of Quebo, Cubucare, Cacine and Catio.

The area covers 3,735 square kilometers; in 1983, there were 308 villages with 67,429 residents (up from 221 villages in 1950 and 55,098 inhabitants in the 1979 census--see Table 1). Sparsely populated due to its relative isolation, Tombali is, however, the most fertile region of Guinea-Bissau with potential for contributing significantly to the country's self-sufficiency in food as well as providing significant agricultural exports.

Of the 17 ethnic groups now living in Tombali, the Nalu are considered to be the original inhabitants and the "owners" of the land. They themselves arrived at the end of the 12th century. In the 15th and 16th centuries, the Nalu came under the domination of the Beafada who, in turn, came into conflict with Fulbe pastoralists in the 1800s. Intra-ethnic conflict among Fulbe (from Futa-Toro, Futa-Jalon) and local peoples of diverse origin, caused significant numbers of Fulbe to migrate into Tombali in the 1880s and 90s. During this time, Fulbe and Sosso immigrants were responsible for the Islamicization of the animist peoples already in the region.

Also in the 1880s and 90s, Balanta Brassa began immigrating from their homeland in the Oio Region in search of new rice fields. Following the bloody campaigns to impose Portuguese colonial rule in the teens and 20s, some 17,000 Balanta sought refuge from colonial repression and forced labor policies in the relative isolation of the South. Here they transformed hundreds of hectares of mangrove tidal flats into "bolanha" (saltwater) rice fields, making the Tombali Region the breadbasket of Guinea-Bissau. During the colonial era, over half the rice brought to market came from Tombali; in the late 1970s, farmers in Tombali supplied nearly 85 percent of the rice captured by the state. Since 1980, Balanta have begun once more to immigrate the Tombali Region, and southward toward the Republic of Guinea in search of new, fertile rice fields. Today the Balanta Brassa account for nearly 60 percent of the region's population. Over-time they have passed their sophisticated rice-growing techniques to other ethnic groups, notably the Beafada and the Nalu, who had not previously engaged in production of salt-water rice.

GUINEA-BISSAU - TOMBALI REGION

Population Data - 1979

BY SECTOR

	Total Population	Male	Female	Sex Ratio	No. of Families	Average Family Size	No. of Villages
Guinea-Bissau	767 700	379 700	409 300	0.928	124 350	6.2	-
Tombali Region	55 099	25 964	29 135	0.874	8 615	6.3	108
Cubucare	15 157	7 001	8 156	0.877	2 095	7.2	101
Cacine (Quitafine)	7 813	3 773	4 040	0.944	12 000	6.3	70
Quebo	7 563	3 764	3 304	0.972	1 365	5.8	34
Catio	24 561	11 426	13 135	0.877	3 975	6.1	103

Source 1979 Census

65

Along with the Balanta, "assimilated" merchant-farmers came to the region of Tombali from 1890 on. These Europeans and Europeanized Africans were granted land by the colonial state; Balanta worked the land as sharecroppers. Oppression and exploitation of the Balanta by these merchant-farmers and the colonial regime, particularly following World War II, helped create the conditions which led the Balanta of Tombali to become the initiators and the backbone of the anti-colonial war, under the leadership of a nationalist Creole stratum.

During the war years, 1963-74, hundreds of people in Tombali were forced to leave their villages. Some moved into the forests with the nationalist guerrillas of the African Party for the Independence of Guinea-Bissau and Cape Verde (PAIGC) to escape bombardment by Portuguese helicopters. Others fled across the border into the Republic of Guinea or Senegal. The bombing of the bolanha destroyed the intricate diking system which desalinated the soil and made rice cultivation possible. More than half the villages in Tombali lost their rice fields. During 11 years of warfare, fruit trees and other crops had to be abandoned, as well as the rice paddies. Recovery was hampered by the lack of youth for labor power. Many young men had been killed during the war or stayed in the armed forces after independence. Others took advantage of new opportunities to attend school in Bissau. Since the war, the regional ratio of men to women has fallen, as has the number of youth relative to other age groups. Consequently, income-earning activities such as fish smoking, salt processing, and the production of palm oil and soap have taken on new significance since, in addition to other traditional expenses, it has now become necessary for some people to purchase rice for food.

Another problem which has affected agricultural production in Tombali is the diminishing and increasingly erratic rainfall pattern which has persisted since the 1970s. This has made it difficult to ensure desalinization of the soil, and rice plants may burn or dry out. Because paddy rice yields have become less certain, even among the Balanta who traditionally practice only bolanha cultivation, farmers have begun planting rainfed upland or "n 'pam-pam" rice, as well as other crops such as millet, sorghum, yucca, sweet potato and yams, as insurance against the failure of the saltwater crop. According to the government newspaper, the area of land burned off for cultivation in the sector of Cubucare trebled between 1984 and '85. Loss of forest cover is leaving more land vulnerable to erosion. Furthermore, with current agricultural techniques, land which has been farmed for three years has to be left fallow for as long as 15-25 years in order to regain its fertility. But as farmers are forced to move further and further away from their villages to open new fields, fallow time has been reduced to about seven years; and more land is becoming less fertile.

As a rule, all adults in Tombali do some farming and each household generally raises some livestock. This is in addition to other activities they may be involved in, such as fishing, iron work, masonry or trading. While this labor pattern is mainly a function of tradition, it also exists because there is no regular supply of primary materials and equipment which are necessary for off-farm activities; and because the infrastructure required for commercialization is lacking. Lack of infrastructure has also hampered the marketing of agricultural produce, particularly rice and fruit for which there is great demand outside the region.

II. OVERVIEW OF TOMBALI SOCIETY

Tombali is a multi-ethnic region of immigrants. Historically, it has been the destination of families seeking refuge and rice fields; and since the Sahelian drought of the 1970s and '80s, Guinea-Bissauans have been moving south into Tombali and toward the southern border in search of fertile land. It is an area whose population is increasing. While many villages contain only one ethnic group, socioeconomic surveys by DEPA fieldworkers indicate that a number of villages, particularly in Cacine and Cubucare, include several ethnic groups and inter-ethnic marriages--at least between Islamicized groups. Within the villages, the basic residential unit is the compound which may contain one or more farm family units, i.e., relatives who work together and share common storage facilities. Society is fundamentally organized on the basis of age and gender. Since the, 1970s, the new state has organized village committees; but the members elected to these committees either include traditional leaders or work in close consultation with them.

The Balanta Brassa make up over half of the population in Tombali, and are also the predominant ethnic group in Guinea-Bissau. They are a traditional or animist society among whom certain powers lie with a council of the elder men. In the South, the eldest direct male descendant of the founder of the village is a "land chief" responsible for allocating rice fields and consulted by the council of elder men in the event of problems. Some villages also include a man who organizes river transport. There are spiritualists who intercede with village ancestors. However, there is no chief who can make decisions on behalf of the population.

The Balanta introduced saltwater rice cultivation to the Tombali Region. Therefore, the Nalu, Beafada and others who now grow bolanha rice have accepted Balanta land tenure principles and agricultural techniques. A bolanha belongs to the male head of the household responsible for its first recuperation from the marsh. Land is passed on from father to son; and fallow land can only be farmed with the permission of the family which first cultivated it. Bolanha are neither sold nor rented; but they may be loaned. Bolanha on loan can be recalled on two years' notice. Since women do not clear bolanha, they cannot own rice fields.

Among the Balanta, there are separate age groups for males and females; it is through the age groups that members of the society are educated, each group by the one immediately older. The most demanding physical labor--construction and repair of the dikes, ridging of newly-reclaimed land, control of the water and establishment of the nursery for the seedlings--is carried out by men over 40. Ridging of previously worked bolanha and cutting of the rice is done by younger men. Women are responsible for transplanting the seedlings, as well as stacking, winnowing and transporting the rice. Children help prepare the land for planting and keep away birds and animals.

A family's size does not determine how much bolanha can be farmed. Rather, this is determined by how large a work group the family can contract. The head of a compound pays an appropriate age group in rice, drink and money to help with specific tasks; even groups of children are remunerated. Thus, although work is done collectively, the Balanta is not a collective society. The harvest belongs to the head of household who cleared the bolanha; he distributes it to his wives who helped with the farming. Each wife may dispose of her portion of the harvest as she sees fit. Women may sell a portion of their harvest or exchange it for items such as tobacco leaves or palm nuts which they can transform into commodities of higher value. No one who has not worked gets any part of the harvest. A new development, however, which may be a harbinger of things to come, is that there are now a few absentee bolanha owners who send money to relatives to hire labor to work their fields.

Rice is of tremendous social significance and plays a vital role in social relations. It is necessary in order to carry out essential rituals. For instance, during the anti-colonial war when rice harvests were inadequate, puberty rites for boys were suspended--which to this day has had an impact on the organization of labor and the education of males. Not being able to provide sufficient rice for one's family is a source of shame, and a wife can leave her husband for this reason. Without rice, one could not hire labor to help with next year's harvest. Rice is the means of exchange for other goods; indeed, merchants in Tombali have demanded rice rather than money for their commodities. Rice production brings different Balanta communities together and is the principal link between the Balanta, other ethnic groups and the State. Because cultural identity in the South is so intertwined with rice, people who do off-farm labor would prefer to pay others to work land for them and have a rice harvest in their own names rather than buy rice grown on someone else's land.

Balanta raise cattle, pigs, and some goats and chickens. Cattle have socio-religious significance and are exclusively for slaughter on important occasions, notably funerals; beef is only eaten at these times, and the cows are not milked. Responsibility for

smaller livestock lies with the women for whom the animals are primarily a source of food during the rainy season, when food must be prepared for work parties and men need extra energy to prepare the bolanha. Chicken eggs are taboo for Balanta women of reproductive age. During the rainy season, women serve fish two or three times a week which they get from the bolanha, along with shrimp and oysters.

An important aspect of Balanta culture is that wealth must be shared or squandered. The remuneration received by work groups, for instance, is used for parties or religious ceremonies--although girls may save something for their personal use. A Balanta would not want to have possessions or display wealth that his neighbors did not have; they would accuse him of witchcraft and he would be isolated.

There are a few individual families from other coastal animist groups, such as the Manjaco and Papel, who exploit the palm forests and may grow bolanha rice. However, the majority of the non-Balanta belong to Islamicized ethnic groups, the most numerous of which is the Fulbe. There are also Beafada, Mandinga, Nalu, Sosso and other numerically insignificant grouplets, such as the Tanda of Iemberem.

Among the Fulbe, land is collectively owned but administrated by a chief, who traditionally paid tribute to the regional king and superior politico-religious leaders in thanks for usufruct. In some villages, there are one or more marabus or almamis (imams) who have religious authority. In Tombali, the Fulbe consider their land to be theoretically on loan from those whom they conquered.

The Fulbe of the village of Mampata explained that they previously lived as pastoralists, but that when they came to Tombali, their cows died "because of the flies." They learned how to cultivate the land from the Mandinga. Currently, they no longer keep cattle because of fly-transmitted disease, and also out of fear that their cattle will be robbed by Balanta youth--for whom cattle robbery is the highest proof of valor. Sheep and goats are raised to slaughter on social occasions, for ceremonies related to births, deaths, marriages, and religious holidays, and to sell in case of emergencies. As Muslims, Fulbe and others do not raise pigs. Animals are left on their own to graze on collective pasturage. Because the animals are allowed to wander at their will, they frequently damage crops--one reason why some farmers plant their fields at a distance from their village.

The extended family is the unit of production. Although Islamicized groups have not traditionally been organized on the basis of age, in Tombali there are "grupos de manjoandade" based on age. For instance, work groups of young men or of women can be hired to prepare bushfields by men no longer strong enough to do the work themselves. In Mampata, there is also a work group of

older men who have the title of "marabu." The proceeds from their work are available on loan to people in case of emergency, such as inability to pay taxes. In Caleque-Nalu and in Cacine, there are women's groups based on age which may invite their counterparts from another villages to come and help them with some particular task; but, among the women, age groups seem to be more oriented toward recreational activities.

Among the Beafada, the Fulbe or the Nalu, in the Northeast, women may produce freshwater paddy rice. Typically, however, Islamicized groups favor cultivation of rainfed upland rice in bushfields known as "lugar." First, the dense forest vegetation is cut down by the men and allowed to dry out; then the high trees are cut and the plot is burned. Rice is sown in the ashes which act as fertilizer, and may be grown in rotation with coarse grains (various types of millet and sorghum) and peanuts. Depending on the fertility of the soil, it may be possible to farm the plot for two or three years; but upland rice is considerably less productive than bolanha--yielding around 400 kg/ha versus 1500-1800 kg/ha--and land must be left fallow 8-25 years. In Tombali, peanuts are a woman's cash crop. Women may also grow yucca, sweet potato and other ingredients for the daily sauce in the gardens by their houses.

From the freshwater valleys of Quebo to the river banks of Cacine, Islamicized groups grow bananas. Fruit plantations in the sectors of Cubucare and Cacine include pineapple plants and such trees as cashew, mango, papaya, orange, oil palm and cola nut. Cola nuts have important social significance for Muslims. Fruits belong to whoever planted the tree and are grown for barter or sale.

Traditionally, Islamicized groups have included professional castes. In the Tombali region, however, it appears that blacksmiths, tailors and others only engage in these professions on a part-time basis; and that others may practice these professions, if they wish, including members of other ethnic groups living in the village. As a Mandinga in Cassaca explained, each type of work has 'its own time.' Thus, it is possible to forge when it is raining, fish at night and farm during the day.

The Islamicized groups have a heritage of long-distance commerce and literacy. A study in the sector of Cubucare found that while only 11 percent of the population was literate in Portuguese, 50 percent of the male population could read and write their own language in Arabic script.

A. Rainy Season, Dry Season and Division of Labor

The rainy season runs from early June to October or November. During this period, there is no rest. Men prepare the bolanha and the bushfields or 'lugar' for upland crops. Women cook for work parties, bring food to the fields for the men, and plant their own parcels with upland rice, peanuts, etc. In the bolanha, women are

responsible for transplanting rice seedlings from near their homes to the prepared rice fields. Women also have vegetable gardens. If they have bolanha, they fish several times a week. In addition to the work of the rainy season, women continue to be responsible for finding wood, fetching water, cooking, cleaning, washing clothes, caring for the children and small animals. Children help in the bolanha with the weeding and by trying to keep birds and animals from the crops.

Where there are bolanha, the young men of each family, with the help of their age group colleagues, plow the land and prepare it for planting during April or May. At the beginning of the rainy season in early June, the principal dike is closed in order to prevent the entrance of saltwater from the rivers which flow inward from the sea. In the interior of the bolanha, there are smaller dikes and canals which allow for drainage so that over time the concentration of salt in the soil will decrease. Fields are cleared in July, August and September; seedlings are then transplanted. At the end of November, short-cycle rice is harvested. The harvest lasts until January to February. From February to May, rice must be transported, threshed and stored.

Some people plant more than one rice crop. For instance, they may plant some upland rice at the beginning of the rainy season, which can be harvested in two-three months, as well as bolanha rice. They are therefore assured of having grain during the "hungry season" before the main harvest. Young men may have their own parcels which they work in their spare time; but, for households which have bolanha, the compound bolanha takes precedence.

At harvest time, women are responsible for transporting crops and winnowing; men do the threshing. If a woman's husband doesn't need her at threshing time, she will go to her father's to help with this work; and the rice her father gives her is hers to keep or sell.

For some men, there is a month of rest between the harvest and the work of the dry season, which includes annual repair of the houses. For men with orchards, the orchards must be cleaned every couple of months. During the dry season, men may also make items from straw, such as mats; or wood, such as canoes, drums or mortars and pestles; or other objects which contribute to the household. In addition to the usual household and family related work, the women may water orchards and vegetable gardens. They also seize every opportunity to engage in income-earning activities. Indeed, in Tombali, it is the women who participate in the monetary economy; and they are likely to have higher monetary incomes than the male heads-of-household.

Women of all ethnic groups extract palm kernels to sell or exchange for rice, and palm oil for consumption or sale. When soda or ash are available, women mix this with palm oil to make soap for home

consumption and for sale. During May and June, women or men may collect cashew nuts to exchange for rice. Women who live near bolanha filter the mud for salt. In some villages, baskets or ceramic ware are produced by female artisans. Near the rivers where men fish year round, women also smoke and dry fish which they may market as far away as Bafata or Gabu.

When asked what activities they engaged in last year, however, it became clear that often women are unable to generate the income they would like. For instance, some women did not produce palm products because 'the Papel didn't come' and they did not have access to palm nuts, or because they did not have enough money to pay a man to cut the nuts. (In the event that a woman's husband cuts down the nuts for her, the proceeds from her work belong to him.) Because there was no soda available, other women were unable to make soap. Because peanut seed had been destroyed by insects, women were unable to plant peanuts which they often sell within the village. The lack of cauldrons and tanks for cooking palm nuts and salt was cited as a problem, as was lack of thread to fix fishing nets for artisanal fishing. The lack of fishing materials used by men, including nets, hooks, fuel for motors, etc. limited the supply of fish available to women for processing, as well, of course, as preventing fishermen from practicing their craft. Blacksmiths and other artisans also cited lack of material as a serious impediment to work.

III. SOCIOCULTURAL FEASIBILITY, SPREAD EFFECT AND BENEFITS ANALYSIS OF THE PROJECT COMPONENTS

The main objective of the proposed project is to help vitalize the economy of the Tombali Region by providing material inputs and training which support increased production and greater opportunities for income generation. On the one hand, most elements in the project will build on economic activity already existing in Tombali; on the other, it will do so by enhancing programs which the GOGB has, on its own initiative, begun to implement. Both these factors bode well for the sociocultural feasibility of the Africare project.

The project has two components, small economic initiatives and artisanal fishing. Support for these components will help make existing income-earning activities more lucrative by ensuring necessary supplies and providing training, credit, equipment and marketing expertise. The first of the components will be implemented in collaboration with the the Ministry of Rural Development; the other with PESCARTE, the GOGB entity which directs artisanal fishing projects. The Ministry of Rural Development and PESCARTE, as institutions, appear to enjoy the confidence of the Tombali population.

Tombali is a multi-ethnic immigrant region which was in the forefront of the anti-colonial war. These factors suggest that a

significant portion of the population has had experiences which encouraged them to become more flexible and open to change. Certainly, ethnic groups here have modified their traditional social structure and activities. For instance, the Islamicized groups have learned Balanta bolanha techniques. At the same time, residents of Tombali have kept close ties with relatives in other parts of the country. For instance, Balanta continue to identify with their families in Oio, to whom they may send rice when harvests in the North are slim. Fulbe have seen their relatives in Gabu using animal traction. Thus, the people in Tombali are able to continue making comparisons between life in the South and elsewhere.

During the armed struggle, the region invented its own social and economic institutions, proof of its ability to adapt to new conditions. Following independence, the national government was unable to offer much help to the Tombali population which had borne the brunt of the war; and the people again demonstrated their flexibility in pulling together to rebuild rice fields. Work groups which traditionally demand certain compensation, for instance, were willing to labor on the basis of reciprocity for a while; unconventional types of loans were made, and women found new ways to contribute to the viability of the household. Extension workers express the sentiment that the women are receptive to new ideas which they believe will improve the health and welfare of their families; and, as elsewhere in the country, will devote their spare time to as many money-making activities as they can.

A. Spread Effect

The historic cooperation among ethnic groups in Tombali for opening the rice fields of the South, liberating the area from colonial rule and rebuilding the region since 1974 should enhance the spread effect of innovations contemplated by this project. Generally, the Islamicized groups, engage in upland farming of "lugar" or forest clearings; all ethnic groups raise poultry; all ethnic groups are involved in informal sector production which could benefit from the project components. Given the complex ethnic composition of the region, however, it is also important to ensure that as many different ethnic elements as possible become involved in the components of the project so as to ensure a maximum spread effect and minimize the possibility of creating ethnic tensions by facilitating the economic advancement of one ethnic group over another.

1. Artisanal Fisheries Component

- a. To further develop and diversify the artisanal fishing industry in Cacine and Cubucare Sectors, thereby creating income-generating potential and increasing the availability of fish in the regional market.

In Tombali, wherever there are rivers, there are fishermen. However, in Guinea-Bissau, in contrast to other countries such as Senegal or Sierra Leone, there are no groups of professional fishermen raised with traditional fishing lore. Rather, Guinea-Bissauans in Tombali are farmers who engage in various other activities for subsistence and commercial reasons. This, along with the lack of modern equipment and even rudimentary supplies, has made it very difficult for Guinea-Bissauan fishermen to compete with foreign fishermen, who come from as far away as Ghana to exploit the waters of Tombali. The supply of fish in Tombali is insufficient given the immediate local demand. On the other, the country's resources are being appropriated by others.

Fishing is a year-round activity, although bolanha fishing is limited to the rainy season when river and open-sea fishing are somewhat more difficult for fishermen in traditional canoes. Throughout Guinea-Bissau, fish is appreciated as an accompaniment to rice. In Tombali, however, people view fish as a commodity for which there are substantial markets in Bissau, Bafata, and, above all, Gabu. Both in Cacine and Cassaca, for instance, women spend considerable time smoking and drying fish which they take to sell in the Northeast, or to merchants going north or across the border to Guinea.

The Nalu, who make up ten percent of the regional population and are located principally in the region of Cacine, came to Tombali to live on the river banks where they could fish as well as exploit the palms. Today, due to the destruction of the bolanha during the anti-colonial war, and with the uncertainty created by years of drought, Nalu and others appear to be relying on the sale of fish for income with which to purchase subsistence grain. For women who need to smoke and sell fish in order to provide their families with food, the lack of fish and other supplies is a major obstacle. Some women now buy fish from fishermen who have come into Guinea-Bissau's waters from other countries. But women and men complain about the lack of nets, thread and other equipment that would allow them to capture what they are capable of processing and marketing. Of the several canoes beached at Cacine, only one was in working order. Owners explained that it was not worthwhile trying to repair the other canoes because there are no materials available for fishing; motors in canoes were broken, awaiting arrival of spare parts.

In supporting the PESCARTE center, the fishing component will help make local fishermen competitive with foreign professionals and to meet the local demand for fish to be processed for the national market. Currently, both men and women fish with nets from the shore, throwing their nets out with the high tide at night and waiting til dawn to pull in the catch. Most men fish in small canoes which they may make themselves in about three weeks' time from a hollowed log; or they purchase a canoe in Tombali. The

canoes are powered by oars; one man rows and a second throws nets or, in the case of a larger canoe, two men may help the owner. One reason that women do not fish in canoes is because rowing demands considerable physical prowess, particularly in the event of an unexpected storm. Therefore, women often pay men to give them a part of the catch. Even the few local women who have managed to purchase their own canoes pay men to bring in fish for them.

The adaptation of the locally-made canoes to include small out-board motors would not only enable either men or women to fish; it would also provide easy transportation for women seeking fuelwood, taking rice to be milled, etc. The provision of boats with motors would additionally enable fishermen to exploit the open sea. Fishermen indicate that it is only on the open sea that they could get a sufficiently remunerative catch to warrant full-time fishing. Of course, the use of motorized boats presupposes training to ensure that the motors are properly used, training of mechanics for proper maintenance, and a reliable supply of fuel. If motorized canoes or boats are to be made available, however, women should also have the opportunity to purchase them. Several women have taken the initiative to save the money to purchase their own canoes in order to increase the incomes they already gain from their fish processing and marketing activities.

Currently, both men and women process fish. A fisherman may preserve fish himself; he may pay a woman to smoke the catch for him. A woman may pay a man to bring her fish, or she may buy them after they are caught. Some women also catch their own fish for processing. In Cacine, for instance, many compounds include fish-smoking operations where women have small 'jafal' fish on metal grates resting on criss-crossed strips of wood over a wood fire which is sometimes open. Since some women surround the fire with metal scrap, simple improvements such as the construction of ovens appear to be compatible with traditional practice and could save fuel and labor. With traditional technology, it takes three days to smoke the fish--which can be saved three or four months; the process is tiring because women have to get up at night to make sure the fire is going and to turn the fish. Because fish are smoked on a household basis, like other activities in this project, innovations could be adopted on an individual basis.

Since women do the majority of smoking and drying, and appear to rely heavily on these activities as a source of income, the component should ensure that women have access to credit or other inputs related to new processing techniques. It would be unfortunate if the upgraded processing techniques were taught to men; and women, using traditional techniques, became unable to compete. The replication of success with new processing techniques should be easy since women near the rivers use basically the same technology to process the same types of fish and interact through

age groups and other organizations, such as UDEMU (The Democratic Union of Women of Guinea-Bissau).

Whoever does the fishing or processing, smoked and dried fish are marketed by women. Some actually pay to transport baskets of fish as far away as Gabu and stay in the North until all the fish have been sold. Others sell to the itinerant merchants--djila--or to women who come South--bideiras--to buy fish and resell them at high prices in the urbanized areas of the North. By helping to develop marketing strategies, this project component should enable fish processors to earn higher prices for their commodity by increasing access to the market. Organizations such as the Fruiticulture Association of Cubucare may serve as a prototype, particularly since this association is currently trying to incorporate a group of fishermen in its marketing activities. PESCARTE's plans to give priority to fishermen on the basis of proven productivity seems a reasonable way to ensure motivation.

As with the issue of "professionalization" in general, however, with the emergence of full-time fishermen the questions arise as to who will do the farming that the part-time farmer used to do; and what will happen to the incomes earned in the new professional activity? If professional fishermen give up farming, would they use part of their income to pay workers to farm land in their name in order to supply their households with rice? Would the families of fishermen--probably wives and children--have an increased burden for producing food? Would fishermen use their new income to purchase items of primary necessity, such as food for household consumption, or would they buy such commodities as radios or bicycles, or perhaps alcohol and tobacco? These are issues which a socioeconomic study would want to investigate as the project progresses.

The fishing component is more likely to involve Islamicized groups, as opposed to Balanta, since Balanta men do not fish. The project might want to endeavor to involve Balanta women--who do fish in their own bolanha--in the fish processing component so as to insure a better spread effect and help ensure a year-round source of animal protein, as well as a source of income.

According to a recent PESCARTE survey, there are about 1,500 people who fish in the Tombali Region. Slightly more than half of this group are women who fish primarily for subsistence in bolanha or on river banks. Provision of motorized boats may enable women to become involved as fishers as well as processors and marketers; and the motorized boats should also be available for lightening women's transportation burdens. New technologies for fish processing may also lighten women's workload, as well as reducing the need for fuelwood, which would save both women's time and help conserve the region's resources. Marketing support will not only enhance income-generating opportunities in the fishing communities but enable more people, both regionally and nationally, to eat

fish, hopefully at a lower prices then are currently being charged.

2. Small Economic Initiatives

- a. To support small economic initiatives which are labor-saving and/or can help generate income.

Through this component, the project will be supporting a program already begun by DEPA. Thus it will benefit from cooperation with a national entity which has been engaging in ongoing socioeconomic surveys to help orient its work, and which has its own extension workers and village links.

Rice and palm products account for the major part of agricultural production in the Tombali region, and the pounding of rice and palm nuts is cited by women as the most wearisome, unpleasant task they face. While rice pounding is estimated to actually take 1-1/2 hours per day for a woman, it seems to take even more because it is so demanding. At the same time, in most of Tombali, rice is eaten three times a day, seven days a week, if the family's supply has not run out. Even in the Islamicized villages in Quebo, for instance, where millet may be eaten more often, rice is the preferred grain. Because rice is such an important part of life in Tombali and because its preparation is a daily, onerous chore, women throughout the region want a mill in their village. Indeed, in every village visited by the team, male members of the village committee and women interviewed spontaneously mentioned their desire for one or supplementary mills to help alleviate women's burdens.

Women have clearly demonstrated the value they place on the mills in several ways. First, they are willing to pay to use the machines. Second, women will transport rice for as long as four hours to neighboring villages in order to have access to a mill. Third, in those villages where women have acquired a mill on credit, they have not only succeeded in paying off the loan within the contract timeframe, but have done so within as short a period as half the time allowed.

Currently, rice mills are sold on credit by DEPA to village women's committees. These committees are responsible for management of the milling operation and payment for the machine. In actuality, men are operating the machines and also keeping records because the machines are difficult for the women to run and because the women lack literacy and numeracy skills. Training for women to run the mills and manage the operation is included in the Africare project.

In helping organize women's committees to manage the rice milling operations, DEPA envisions that, once the mills have been paid for, funds collected for the use of the mills will be invested by the women for the betterment of village life. For instance, the

committee may purchase more mills or other appropriate technology, or it may contribute toward the improvement of health and education facilities. Certainly, women in Guinea-Bissau use every spare moment to try and find some other activity with which they can earn the cash to ensure the family's rice supply, buy clothes for themselves and their children, or buy their children school supplies.

After tobacco processing among Balanta women, palm processing is the most remunerative activity for women of all ethnic groups. First, women must find men to climb the tall trees and cut bunches of nuts for them. Only the men in certain ethnic groups climb palms--most notably the Papel who migrate from their homeland on the island of Bissau to the palm forests between April and June, the palm nut harvesting season. After a woman has paid someone to cut down the nuts, she transports them herself from the forest to the village. Then she begins the work of boiling, pounding and separating out the nuts from the fiber. These are all exhausting tasks which last from dawn into the night for a batch of oil. A woman may work with her co-wives or friends in preparing the oil; but since the oil will belong to the one who paid for the nuts, it is easy for an individual to decide to pay to use an oil press. At the same time, since women work together to produce the oil, this is consonant with DEPA's policy to sell palm oil presses to groups of women; they have been charging a liter of oil for every tank processed in order to repay the loans. The palm oil presses not only lighten women's burden, but also enable them to extract more oil from the fibers than they can extract by hand, making the process more profitable.

Both the oil presses and nut smashers have already proven their acceptability in villages where women pay to use these devices. In the long run, proceeds from use of these devices can also be used to benefit the village. Once the nuts have been smashed, the kernels will keep a long time. They can be traded for rice or sold to private merchants or the itinerant djila. The kernels produce a lighter grade of oil than the fruit; this oil has diverse uses.

Palm oil has the advantage of providing food for the family as well as income. In terms of profitability, however, soap made from palm oil mixed with filtered, solidified ash yields an even higher return than does the oil. Many women in Tombali, however, complain that they have been unable to make soap this year or last because there was no soda to mix with the oil. Women make soap for home use and also for sale. But the traditional black soap made in the village has a distinctive odor and is less marketable than sweet-smelling white soap. In helping women improve traditional soap production, the project will be responding to a serious need. Furthermore, soap making, as palm product production in general, lends itself to production by various types of groups--households, compounds, or women's committees--which already exist in Tombali.

Another potential area for income-earning activities which might specifically benefit women is that new types of food-processing, such as the drying or pickling of produce. Such an activity, however, needs a careful marketing study as well as consideration of appropriate technology. Traditionally, the diet in Tombali and elsewhere in Guinea-Bissau is limited to grains, some meat or fish, and a few accompaniments which are not really considered food, in the sense that rice is. Experiences in Contuboel and elsewhere suggest that non-traditional fruits and vegetables are only bought by foreigners living in Bissau, although it would be extremely desirable to enable Guinea-Bissauans to diversify their diets. Tomatoes and onions are the vegetables preferred by women in their gardens. This is because the women will use them and because these vegetables are more readily marketable to other Guinea-Bissauans. Thus, tomato paste and pickled onions may be two items with a high rate of acceptability. The experiences of the fruit-processing factory in Bolama and the tomato-processing operation in Co should also be investigated.

Income-generating activities such as processing of palm products, production of salt from bolanha mud and agricultural work have all been stymied by lack of implements which could be produced by local blacksmiths, including cauldrons, barrels and watering cans. Similarly, local blacksmiths have complained that they are unable to engage in their craft on a full-time basis due to lack of raw materials. Provision of needed inputs and training of local blacksmiths, which has already been undertaken by the government of Guinea-Bissau in other regions of the country, should fill an unmet need without prejudicing any stratum of society. In Tombali, since crafts do not appear to be the exclusive province of an ethnic group or caste, such a program presents new professional and income-generating options for youth.

The small but growing number of youth with literacy and other skills in Tombali Region need new types of employment opportunities if they are to remain; and the region needs to find ways to avail itself of these human resources. An appropriate opportunity will be provided by the training program for mechanics.

With the introduction of rice mills, motors for canoes, motorcycles as a more common means of transportation, etc., the need for mechanics is growing. Presumably, these mechanics will have to be literate. It is worth noting that Cape Verde has trained young girls as mechanics; and it would be interesting to make this option available to schoolgirls who, in Quebo, for instance, expressed an interest in doing anything at all that would enable them to escape using a mortar and pestle when they grow up.

The informal sector in Tombali cannot continue to thrive without access to credit and improved marketing techniques, as well as a supply of primary materials and desired consumer goods. The credit system already implemented by DEPA, which will be supported and

enlarged by the Africare project, has worked well so far. As noted, payments for items such as rice mills have been made in less time than allowed, as have those for agricultural implements such as hoes, buckets, etc. In making loans through committees, the credit system is capitalizing on the individual's social responsibility to the community, and the community's traditional concern to ensure that individuals make a living. The credit system is also helping to develop the concept of saving in money for investment, rather than using rice or cattle as capital, or for ceremonial purposes.

This component will also support DEPA's efforts to revitalize popular markets. It is known that in the 16th century, near Tombali Region, there was a periodic market which attracted as many as 12,000 people. Prior to the anti-colonial war, there were still periodic markets, albeit on a much smaller scale. Currently, there are a few periodic markets, for instance near the border with Guinea. Careful study will be needed to ensure the most advantageous placement of markets on the best days. These markets should do a great deal to stimulate local commercial circuits and production within the informal sector, such as of palm products, processed fish or other foods, etc.

Because the small initiatives component supports existing types of production in the region, it should be well accepted and easily replicated as the use of the rice mills, for example, has already proved. It is worth noting, again, however, that this component, with the possible exception of the rice mills and palm processing equipment, is probably targeted at the Islamicized population. Even in the case of these devices for women, it would be wise to see that the Balanta area of a multi-ethnic village is well-served. All things considered, special efforts may be necessary to ensure that villages with one predominant ethnic group do not fall behind others in their capacity to generate income through these small industrial initiatives or marketing expertise.

II. SOCIAL SOUNDNESS ANALYSIS EVALUATION CRITERIA

In evaluating this project, certain indicators should be used in assessing the project's actual social impact. These indicators highlight social phenomena or conditions which may be affected in one way or another as a result of having undertaken the proposed activity. Constant monitoring of these indicators throughout implementation of the project will provide valuable guidance for the actual project evaluation. Some of the areas to be monitored include:

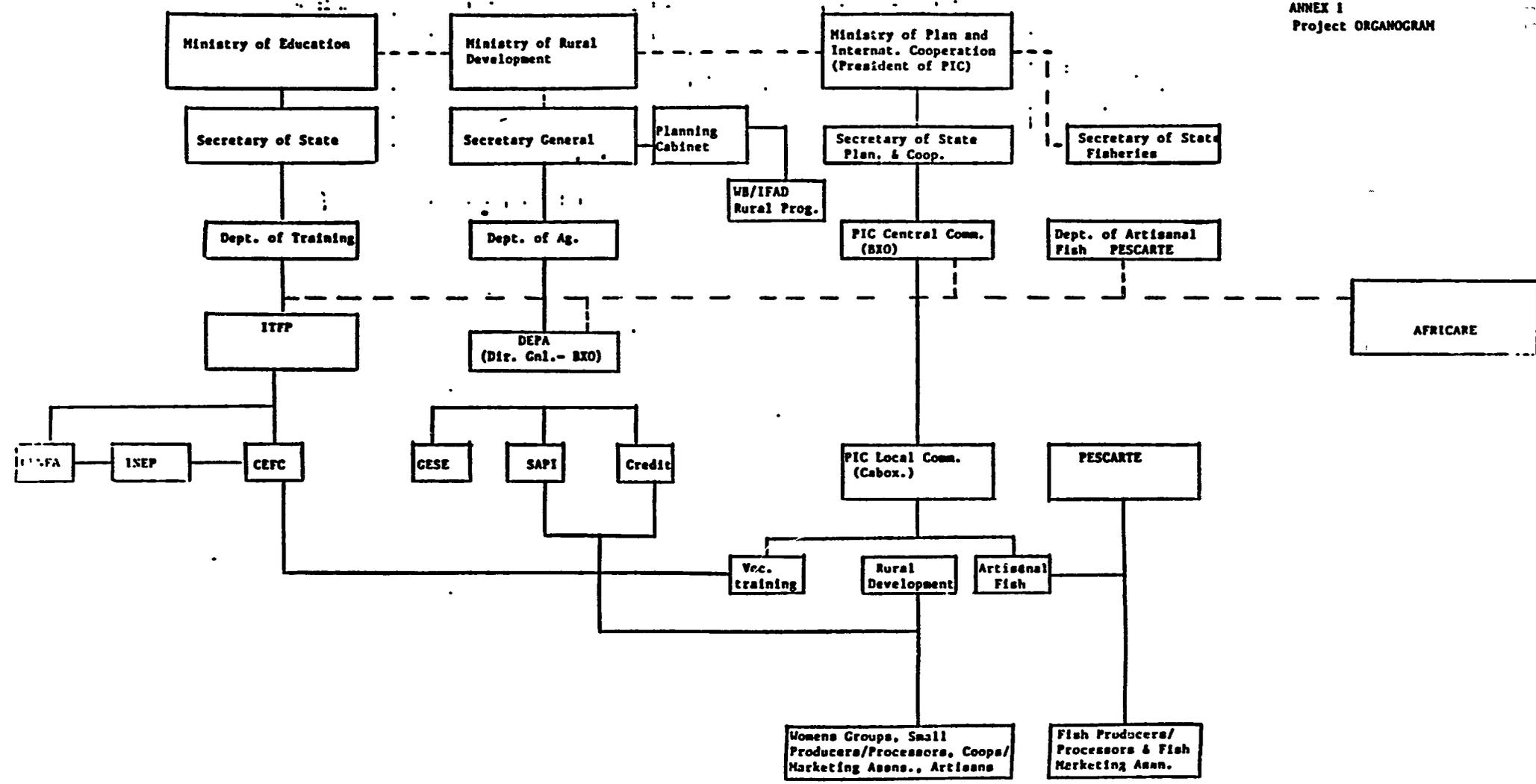
- * The potential creation of inter-ethnic tensions by selection and development of project sites, particularly between Balanta and Islamicized groups. On the one hand, project activities are less likely to interest Balanta; on the other, the entire country relies heavily on

Balanta participation in the market economy since the Balanta are currently estimated to be providing up to 95 percent of locally-produced rice for sale in Guinea-Bissau.

The possibility that there may be an increase in women's workloads which could negatively impact the family's nutritional situation. Professionalization of either men or women in activities they may not have traditionally done full-time may increase women's workloads, as they will almost certainly remain responsible for ensuring the family's daily food supply, in addition to other traditional tasks.

The possibility that newly generated income will be spent in ways not anticipated by the project. Income generated by activities which replace time that was previously devoted to producing food may not be used alternatively to purchase food. For example, men often spend money on alcohol and tobacco, or radios and bicycles. Without passing judgment on the value of such purchases, they may cause the nutritional status of the family to deteriorate.

ANNEX 1
Project ORGANOGRAM



802
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n'ait notifié à l'autre, par écrit au moins six mois avant l'expiration de la période en cours, son intention d'y mettre fin;

c) Le présent Accord n'exclut pas la signature d'accord particulier entre AFRICARE et le représentant mandaté du Gouvernement sur des projets spécifiques à réaliser avec l'aide d'AFRICARE, ou entre AFRICARE et toute organisation privée, collective ou association approuvée par le Gouvernement.

ARTICLE 12.-

Le présent Accord est établi en français en deux originaux faisant également foi.

ARTICLE 13.-

Les personnels d'AFRICARE ne s'engageront pas aux activités idéologiques, religieuses, politiques, ni lucratives.

En foi de quoi, les soussignés, dûment autorisés à cet effet, ont signé le présent accord.

Fait à Bissau, le 2 Septembre 1988, en deux exemplaires, en français.

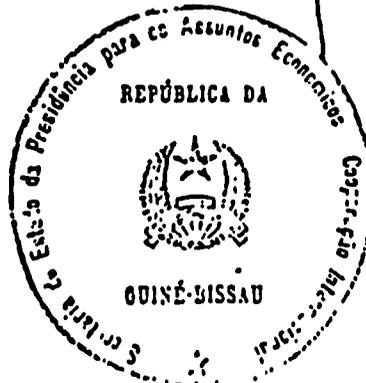
Pour AFRICARE

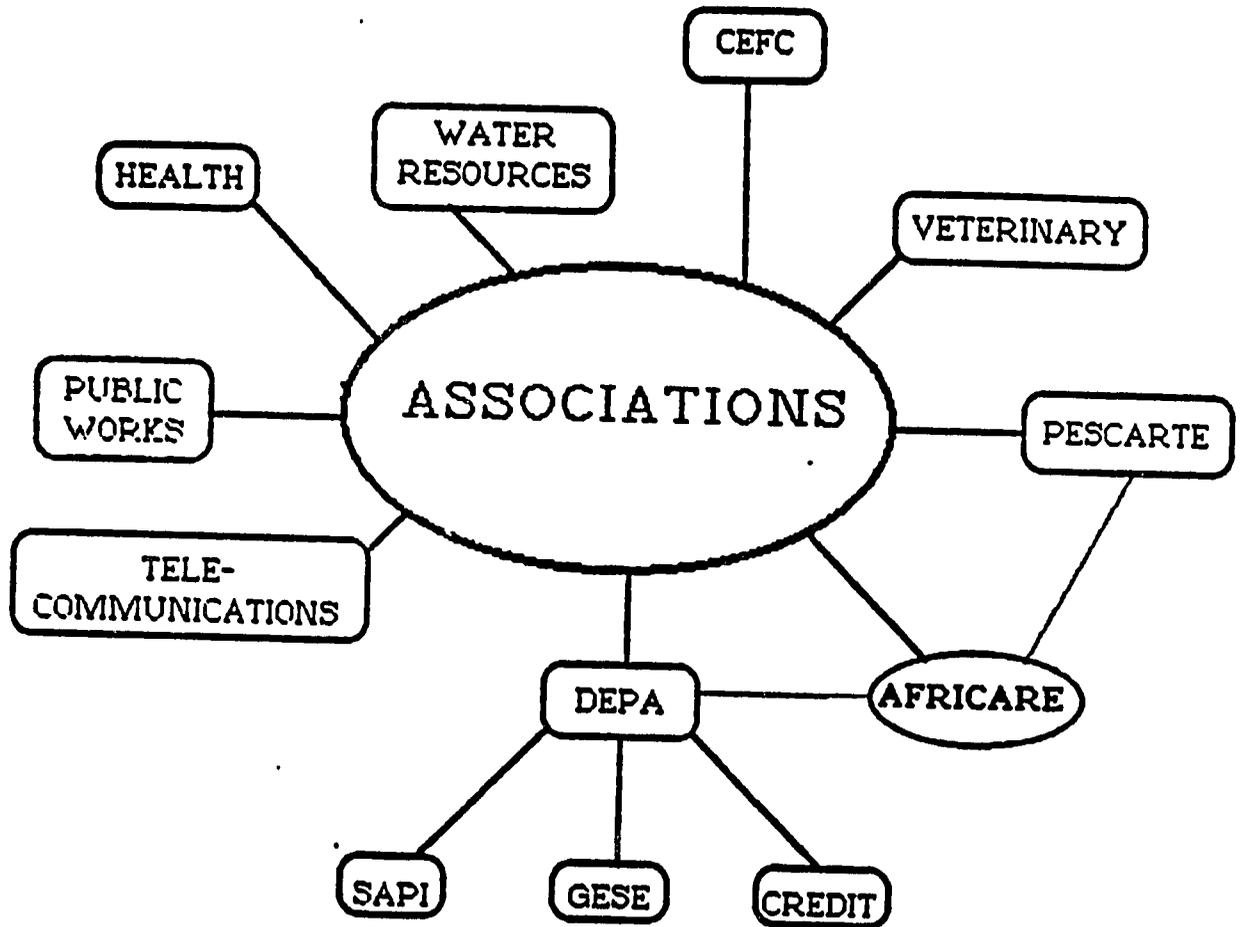
Walter Williams, Jr.

Walter Williams, Jr.
DIRECTEUR EN GUINEE-BISSAU

Pour Le GOUVERNEMENT DE LA
REPUBLIQUE DE GUINEE-BISSAU

*Jose Humberto Carvalho da
Alvarenga*
Jose Humberto Carvalho da
ALVARENGA
DIRECTEUR GENERAL DE LA
COOPERATION





The project will collaborate with DEPA and PESCARTE within PIC offering training in improved production and processing techniques, and credit to Associations. The project will at the same time offer training in business, management, and process oriented skills directly to Associations.

-  = units and/or sub-units of PIC offering services to Associations.
-  = private sector organization offering direct services to Associations.

85+

PROJECT COORDINATOR - CREDIT/MARKETING TRAINING SPECIALIST

DURATION: 4 Years

POST: Caboxanque

Duties and Responsibilities:

- 1) To coordinate the implementation of project activities through close on-site collaboration with DEPA (SAPI) and PESCARTE personnel, supervision of project staff and Peace Corps Volunteers, facilitation of short-term consultations, and coordination with GOGB officials and other development projects (including PIC).
- 2) To identify and specify the resource and procurement needs of the project supported activities and to supervise the use of project resources in the field -- including oversight of project supported construction.
- 3) To design and conduct training in a) the training of trainers (TOT) and b) association (cooperative) philosophy, business and management (bookkeeping, organization and management, business planning, marketing, inventory control, pricing, etc.).
- 4) To provide technical assistance and training to PIC personnel involved in the project credit activities and assist in the development of an improved credit system.
- 5) To provide technical assistance and training in support of the development of a regional marketing system and organization of marketing associations -- includes coordinating a periodic comprehensive marketing survey.
- 6) To conduct in-depth investigations for each project activity prior to implementation to clearly establish program targets and report on the progress made towards these targets on a quarterly basis to AFR/GB.
- 7) To supervise a team of 12 host national trainers and administrative staff.

Qualifications:

- 1) Experience in the implementation of rural development projects in Africa, including the operation of rural credit schemes and the development of associations/cooperatives.
- 2) Demonstrated ability to design and conduct TOT and cooperative business training.
- 2) Demonstrated capacity for project management, including formulation of budgets and workplans, specification of inputs for procurement, supervision of local-hire personnel and contractors, and preparation of project reports.
- 3) Demonstrated ability to collaborate with host country government institutions and officials in the implementation of grassroots development assistance programs.
- 4) Masters degree or the equivalent in professional experience in the training and marketing/credit fields related to work in developing countries, especially in Africa.
- 5) Fluency in Portuguese or French, with preference for Portuguese, and willingness and commitment to learn Creole.

LOCAL-HIRE ADMINISTRATIVE ASSISTANT

DURATION: 4 Years

POST: Caboxanque

Duties and Responsibilities:

- 1) To ensure that all logistical problems encountered during the implementation of project activities are quickly and efficiently alleviated.
- 2) To assist the project coordinator with program procurement of goods and services and in the maintenance of all Africare property/equipment used by the program.
- 3) To assist the project coordinator with program management through regular visits to activity sites and acting as a liaison when necessary.
- 4) To assist the program coordinator in the maintenance of the bookkeeping system for project expenditures.
- 5) Other duties as required by the program coordinator.

Qualifications:

- 1) Demonstrated ability to facilitate rural development program logistic and procurement problems.
- 2) Baccalaureate (high school graduate) and experience in working in rural areas with village groups.
- 3) Fluent in speaking, reading, and writing of Portuguese (and French or English if possible) and spoken ability in Crioulo and one local language used in the region of Tombali.
- 4) Demonstrated capacity to assist in financial bookkeeping of project expenditures.
- 5) Able to drive a light truck and has a valid drivers license.
- 6) Desire to live and work in Caboxanque.
- 7) Committed to rural private sector development.

877

TWELVE LOCAL-HIRE ASSOCIATION TRAINERS

DURATION: 4 Years, including initial training of trainers
POST: Tombali Region

Duties and Responsibilities:

- 1) To provide training to Tombali associations in association philosophy, organization and management including business planning, bookkeeping, pricing, inventory and cash controls, record keeping, decision making as well as other small enterprise management related areas.
- 2) To assist associations conduct needs assessments for technical skills needed for production and processing economic activities;
- 3) To provide on-site technical training to rural associations in the preparation of credit dossiers to the PIC Credit Service.
- 4) To coordinate and, if necessary, conduct literacy training related to association economic activities.
- 5) To produce a monthly activity report for the Africare project coordinator and DEPA/SAPI.

Qualifications:

- 1) Demonstrated capacity to transfer skills to people with little or no formal education in the local language of the area.
- 2) Baccalaureate (high school graduate) and experience in working in rural areas with village groups.
- 3) Fluent in speaking, reading, and writing of Portuguese, and spoken ability in Crioulo and one local language used in the region of Tombali.
- 4) Desire to live and work in the Tombali Region.
- 5) Committed to rural private sector development.

88

PEACE CORPS VOLUNTEER

SMALL ENTERPRISE DEVELOPMENT/MARKETING SPECIALIST

DURATION: 2 Years

POST: Caboxanque

Duties and Responsibilities:

- 1) To collaborate with the project coordinator to provide technical assistance in support of the development of a regional marketing system and organization of producer marketing associations.
- 2) To provide direct technical and managerial assistance to producer marketing associations through regular contact and meetings with the various associations.
- 3) To assist in the collection of baseline data for and, in the production of, marketing surveys and feasibility studies for different products produced in the region of Tombali.
- 4) To establish a regular system of measurement of market indicators for both the regional and national markets for Tombali produced products.
- 5) To produce a monthly activity report for the Africare project coordinator, PESCARTE, DEPA, and Peace Corps.

Qualifications:

- 1) Demonstrated capacity to perform marketing feasibility studies, assist marketing associations, and transfer skills to people with little or no formal education.
- 2) Demonstrated ability to assimilate into a new culture and environment and collaborate with host country co-workers.
- 3) Bachelors degree or the equivalent in professional experience in the business/marketing field related to work in developing countries, especially in Africa.
- 4) Minimum two years study in Portuguese or French, with preference for Portuguese, and a willingness and commitment to learn Crioulo.

29+

PEACE CORPS VOLUNTEER

APPROPRIATE TECHNOLOGY/FOOD PROCESSING-SPECIALIST

DURATION: 2 Years

POST: Coly/Quebo

Duties and Responsibilities:

- 1) To collaborate with the project coordinator and DEPA staff at Coly in the implementation of the development, testing, and dissemination of technologies for the preservation or processing of rurally-produced perishable products.
- 2) To provide technical assistance to DEPA staff in the operation of a food processing workshop at Coly to develop and test improved technologies, including using imported prototypes to adapt to the local conditions.
- 3) To assist the DEPA staff in the dissemination of the improved technologies to villages, including frequent follow-up trips to villages to evaluate technical problems and identify needs for improvement.
- 4) To establish a regular system of record keeping on the workshop activities and the success or failure of the technologies disseminated in the villages.
- 5) To produce a monthly activity report for the Africare project coordinator, DEPA, and Peace Corps.

Qualifications:

- 1) Demonstrated capacity to learn food processing technology and conduct tests to develop improved techniques, especially as related to appropriate rural technology.
- 2) Demonstrated ability to assimilate into a new culture and environment and collaborate with host country co-workers.
- 3) Bachelors degree or the equivalent in professional experience in the food processing/appropriate technology field related to work in developing countries, especially in Africa.
- 4) Minimum two years study in Portuguese or French, with preference for Portuguese, and a willingness and commitment to learn Crioulo.*

PEACE CORPS VOLUNTEER

APPROPRIATE TECHNOLOGY/FOOD PROCESSING-SPECIALIST

DURATION: 2 Years

POST: Cacine

Duties and Responsibilities:

- 1) To collaborate with the project coordinator and PESCARTE staff at Cacine in increasing the capability of local fish processors to produce high quality products for local and national markets.
- 2) To provide technical assistance to PESCARTE staff in the development and testing of improved technologies to smoke and dry fish, including using imported prototypes to adapt to the local conditions.
- 3) To assist the PESCARTE staff in the dissemination of the improved technologies to fish processors, including frequent follow-up visits to evaluate technical problems and identify needs for improvement.
- 4) To establish a regular system of record keeping on the technical development/testing activities and the success or failure of the technologies disseminated.
- 5) To produce a monthly activity report for the Africare project coordinator, PESCARTE, and Peace Corps.

Qualifications:

- 1) Demonstrated capacity to learn food processing technology and conduct test to develop improved techniques, especially as related to fish smoking and drying.
- 2) Demonstrated ability to assimilate into a new culture and environment and collaborate with host country co-workers.
- 3) Bachelors degree or the equivalent in professional experience in the food processing/appropriate technology field related to work in developing countries, especially in Africa.
- 4) Minimum two years study in Portuguese or French, with preference for Portuguese, and a willingness and commitment to learn Crioulo.

9/1x

CONSULTANT: RURAL CREDIT SPECIALIST

DURATION: 2 Months POST: Caboxanque, Cacine

Duties and Responsibilities:

- 1) To conduct an assessment of the state of the DEPA credit and warehouse system and the particular credit needs and capabilities of the people in the region of Tombali.
- 2) To collaborate with the project coordinator, DEPA, and PESCARTE in developing a clear and consistent credit policy for the distribution of project producer inputs.
- 3) To develop credit procedures and record-keeping systems to be used by DEPA and PESCARTE credit personnel and identify the training needs of the relevant staff to be able to implement the credit procedures and maintain the record-keeping system.
- 4) To produce a 4-year workplan for the implementation of the credit system with targets on expected loan amounts and return rates, taking into account devaluation of the peso and inflation, and evaluate the feasibility of creating a sustainable revolving credit fund.
- 5) To produce a final report including documentation of all of the above and the consultant's final recommendations.

Qualifications:

- 1) Experience in the development and operation of rural credit schemes in Africa, especially orientated towards village production activities and artisanal fishing.
- 2) Demonstrated capacity for the evaluation, design, and development of a rural credit program, including the planning of program targets and the elaboration of credit procedures and record-keeping systems.
- 3) Demonstrated ability to collaborate with host country government institutions and officials in the elaboration of policies and program plans related to the development of a credit system.
- 4) Masters degree or the equivalent in professional experience in the credit/financing field related to work in developing countries, especially in Africa.
- 5) Fluency in Portuguese or French, with preference for Portuguese.

92

CONSULTANT: FOOD PROCESSING-SPECIALIST

DURATION: 2 Months POST: Caboxanque, Cacine

Duties and Responsibilities:

- 1) To conduct a study to assess the state of current food processing technologies used in the region of Tombali and identify potential processed food products for which adequate demand exists on regional or national markets, including an evaluation of the smoking and drying techniques used by fish processors.
- 2) To identify techniques and processes, and improvements in the case of fish processors, suited to resource availability, scale of production, and skill constraints of potential and existing village food processors in the region.
- 3) To produce a workplan for the introduction of improved fish smoking and drying technologies and other food processing techniques identified, including an assessment of training needs for DEPA and PESCARTE personnel.
- 4) To produce a final report including documentation of all of the above and the consultant's final recommendations.

Qualifications:

- 1) Experience in the identification and introduction of appropriate food processing technologies in rural Africa, especially orientated towards tropical fruit processing and fish smoking and drying techniques.
- 2) Demonstrated capacity to conduct a study to determine food processing potential in a rural region and identify/develop the types of food processing technologies appropriate for the local conditions and capabilities.
- 3) Demonstrated ability to collaborate with host country government institutions and officials in the identification of new technologies for introduction into rural areas.
- 4) Masters degree or the equivalent in professional experience in the food processing/appropriate technology field related to work in developing countries, especially in Africa.
- 5) Fluency in Portuguese or French, with preference for Portuguese.

Clayton L. Davis III
Acting Country Representative
Aficare/Guinea-Bissau

Ref: Information on Rural Incentives Program in Guinea-Bissau

Dear Clayton,

In reference to discussions we have had concerning collaboration between Africare's "Tombali Sustainable Rural Initiatives Project" and the "Rural Incentives Program" (RIP), funded by the International Fund For Agricultural Development (IFAD) and monitored by the World Bank, this letter is to explain the objectives and mechanisms of the program.

The RIP program has the following objectives to ensure that the small-holders benefit from the structural adjustment program underway.

- 1) Guarantee an adequate supply of incentive and producer goods to the small-holder sector (hand-tools and equipment, raw materials for blacksmiths, pesticides, insecticides, fertilizers, seeds for cereals, horticultural products and potatoes, roofing material, bicycles, material for local fabrication of carts, sacks, buckets, etc..)
- 2) To the extent that circumstances permit, seek to ensure equitable access, among the small-holder population, to producer and incentive goods.
- 3) Supplement the private commercial distribution system by promoting the participation of the small-holder groupings and other rural organizations (NGO's) in input distribution in the rural areas.
- 4) Assisting in the elaboration and functioning of a system of monitoring and evaluating the micro-level changes in socio-economic conditions of the farmers and rural sector.

The program would provide financial support for the external acquisition of an agreed upon list of agricultural producer goods. The total amount foreseen for this purpose is about 3.5 million USD. The program is expected to finish in 1991.

Goods imported by traders, NGO's, service associations, and other viable and established intermediaries would be sold to small holders, and local currency paid by importers for the imported inputs would be used to assist financing development of producer associations, credit and supply of inputs, foodcrop promotion, and other development activities.

To ensure that goods will be supplied to small holders, in the context of a relatively free system of distribution, inputs to be financed would be those used by small-scale producers in crop, livestock, and fish production and would not include those uniquely used by larger-scale commercial producers.

The Ministry of Rural Development and Agriculture would furnish a list of import requirements, including specifications, level of urgency and required delivery time, to the Ministry of Commerce who then provides support to individual importers and issues the importation authorizations. Requirements would be established on the basis of the small-holders expressed needs, collected or verified at the village level. The needs assessment involves participation of technical assistance.

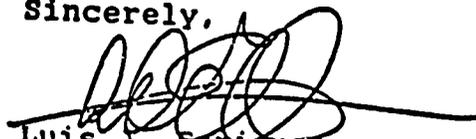
Importers would apply for an import license from the Ministry of Commerce. On that basis the Bank of Guinea-Bissau would issue a letter of credit. Procurement would be made from the member states of IFAD. Contracts over 200,000 USD would be awarded through international competitive bidding. Goods estimated to cost the equivalent of less than 200,000 USD per contract, but more than 50,000 USD, would be procured following request and evaluation of at least three quotations from responsible suppliers. Goods equivalent to less than 50,000 USD but more than 10,000 USD may be purchased directly from specified foreign suppliers. Goods equivalent to less than 10,000 USD may be procured by local shopping with procedures satisfactory to IFAD.

The importers operating under the program would be required to present a plan for rural distribution of commodities, specifying destination and local traders or small-holders associations to receive goods.

Collaboration of NGO's is expected to contribute to development of a competitive trading environment for the benefit of the small-holder sector.

On the basis of the above information we can anticipate to have a fruitful collaboration with Africare, particularly in the import of necessary inputs (which fit the above criteria) for the "Tombali Sustainable Rural Initiatives Project".

Sincerely,



Luis A. Enriquez
Coordinator and Chief
Technical Advisor
Rural Incentives Program

Annex L

POTENTIAL ECONOMIC ACTIVITIES FOR ASSOCIATIONS

Here are some examples of potential economic activities associations might undertake. Technical training for improved production and processing for small scale enterprises will be available to associations from PIC through DEPA or PESCARTE.

Blacksmithing

The position of rural blacksmiths in the Tombali Region, as the producers of preferred tools for traditional land clearing and preparation, as well as harvesting, is traditionally prominent and socially secure. Yet, tradition and social status alone have not been enough to encourage blacksmiths to increase production and participate in the liberalized market.

Although SAPI has supported blacksmith training for several years with the supply of some tools and raw materials and trainers, DEPA's importation of small agricultural tools proved to be a disincentive to the local trade.

It is significant that the PIC 1989 conference enthusiastically endorsed recommendations to gradually phase out DEPA's importation of small agricultural tools for farmers in deference to local production of equipment of adequate quality at acceptable prices for home and farm use. Given the frequent devaluation of the peso and subsequent rapid rises in the prices of imported goods, local blacksmiths' products are increasingly cost-competitive.

Provision of tools and especially raw materials is central to a blacksmith association's success. Lack of sufficient quantities of iron and steel bars, and of galvanized and aluminum sheet stock, is the most common complaint of local smiths. Nearly all blacksmiths express a willingness to pay the full price of imported inputs, plus interest if necessary; and are confident of their potential to profitably market products made using these materials in competition with imported products.

Rice Mills

Diesel powered rice husking and polishing machines have been credited as the most time and labor saving device among village women. There is a great demand for the services of these machines throughout the Tombali Region. To date, approximately 30 mills have been installed in the region and all but five are functioning. This activity would have a great appeal to womens associations.

Palm Products

There are three potential marketable products that can be derived

from the oil palm. In Guinea-Bissau, two of these products have traditionally been produced: unrefined palm oil and palm kernels. The former is produced directly from the fruit of the oil palm; after processing the fruit, the oil is then extracted (pressed) from the pulp.

This process leaves the palm kernel as a by-product. Inside the kernel is a type of nut that produces a second, highly-valued oil. To date, however, palm kernels have been sold to commercants, principally for export - as this second oil has a more technically complex extraction process than traditional methods have allowed. (If cracked before selling, palm kernels do bring a higher price.)

Associations of women producers possessing palm oil presses and palm nut cracking machines can produce two highly marketable commodities: unrefined palm oil and palm kernels. This activity could contribute significantly to increased productivity of women oil producers; and the technology conforms well to village-level community organization.

There also exists potential for the operation of a palm kernel oil press in the region, which will allow further processing of the product generated by the nut cracking machines. Kernel presses are larger, more technically complex hydraulic devices as much higher pressure is required to extract kernel oil. Use of this type of machine would therefore require a form of organization which spans a number of participating associations, such as a sectoral or regional producers association.

Soap Making

Associations could become the major producers and suppliers of an improved soap. Traditional soap production, using palm oil and locally produced soda leached from wood ash, exists in many villages in the region. However, the quality of the soft black soap produced makes it difficult for local soaps to compete with higher priced imported products, especially in town and urban markets. Associations employing techniques from other West African countries could improve the consistency, color, scent, and hardness of locally produced soap.

Fishing (including Processing and Marketing)

An economic activity with great potential in the Tombali Region is fishing. Fish are perhaps the richest and most underexploited, by the people of the area, natural resources in the region. Associations of fishermen and/or women could pool their catch for collective processing and marketing to the interior and neighboring countries.

ANNEX M

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AID 1350-1 (10-79)	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Guinea-Bissau	Page 1 of 2 Pages
		2. PIOT No 657-0020-3-0619050	3. <input checked="" type="checkbox"/> Original or Amendment No. _____
		4. Project/Activity No. and Title 657-0020 Tombali Sustainable Rural Initiatives Project	

DISTRIBUTION R/PD/CCWAP R/Operations SS/Operations DSC/ONCA DSC/ONCA R/Operations R/Operations R/Operations	5. Appropriation Symbol 72-1101014	6. Allotment Symbol and Charge GSSA-90-31657-RG15 (014-61-657-00-69-01)
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	8. Project Assistance Completion Date (Mo., Day, Yr.) June 30, 1995
	9. Authorized Agent MS/OP/O/AFR	10. This PIOT is in full conformance with PRO/AG Date _____

11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input checked="" type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other		11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment)			
12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. <u>A</u>)					
Maximum AID Financing	A. Dollars	(1) Previous Total -0-	(2) Increase 382,705	(3) Decrease	(4) Total to Date 382,705
	B. U.S.-Owned Local Currency				

13. Mission References

14a. Instructions to Authorized Agent
Kindly execute Operational Program Grant with U.S. PVO, Africare, located at 440 R Street, N.W. Washington, D.C. 20001, telephone (202)-462-3614, Executive Director: C. Payne Lucas. In accord with agreement reached between Africare and Africa Bureau representatives this OPG is an FY 90 obligation action.

AFR-0020-G-00-0013

14b. Address of Voucher Paying Office
FM/CMPD/DCB

Voucher Review: USAID Representative
Guinea-Bissau

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The project officer certifies that the specifications in the statement of work are technically adequate Leroy Jackson AFR/PD/CCWAP	Phone No. 647-9062	B. The statement of work lies within the purview of the initiating and approved agency programs Myron Golden AFR/CCWA	Date 9/6/90
C. Mary Ann Riegelman AFR/CCWA	Date 8/31/90	D. Funds for the services requested are available Glenn Cauvin AFR/DP	
Judy Gilmore AFR/TR	Date 9/6/90	R. Anderson PFM/FM/PAFD	

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to Signature <u>N/A</u> Date _____ Title _____	17. For the Agency for International Development Signature <u>James Govan</u> Date <u>9-20-90</u> Title <u>Deputy Director AFR/DP</u>
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OPERATIONAL PROGRAM GRANT
 FINANCIAL MANAGEMENT
 DATE POSTED: 9/19/90
 PERFORMER: [Signature]
 SUPERVISOR: [Signature]

Allinger/
 lgour
 mo dated
 in. 26, 1990

AID 1350-1 (10-79)	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Guinea-Bissau	Page <u>2</u> of <u>2</u> Pages
		2. PIO/T No 657 -0020-3-0619051	3. <input checked="" type="checkbox"/> Original or Amendment No. _____
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	4. Project/Activity No and Title 657 0020 Tombali Sustainable Rural Initiatives Project	

DISTRIBUTION	5. Appropriation Symbol 72-1101021.3	6 Allotment Symbol and Charac 3 GDNA-90-31657-JG15 <i>L.J. 9/1/90</i> (043-61-657-00-70-Q1) (Mo. Day, Yr.) June 30, 1995
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	
	9. Authorized Agent MS/OP/O/AFR	10 This PIO/T is in full concurrence with PRO/AG Date _____
	11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input checked="" type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other	11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment)

12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. <u>A</u>)					
Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
		-0-	272,295		272,295
	B. U.S.-Owned Local Currency				

13. Missed References: _____

14a. Instructions to Authorized Agent
Kindly execute Operational Program Grant with U.S. PVO, Africare located at 440 R Street, N.W. Washington, D.C. 20001, telephone (202)-462-3614, Executive Director: C. Payne Lucas. In accord with agreement reached between Africare and Africa Bureau representatives this OPG is an FY 90 obligation action.

AFR-0020-G-00-0073

14b. Address of Voucher Paying Office
FM/CMPD/DCB

Voucher Review: **USAID Representati
Guinea-Bissau**

15. Clearances—include typed name, office symbol, telephone number and date for all clearances.

A. The project officer certifies that the specifications in the statement of work are technically adequate Leroy Jackson AFR/PD/CCWAP	Phone No. 647-9062	B. The statement of work lies within the purview of the initiating and approved agency programs Myron Golden AFR/CCWA	Date 7/6/90
C. Mary Ann Riegelman AFR/CCWA	Date 8/31/90	D. Funds for the services requested are available Glenn Cauvin AFR/DP <i>man for</i>	
Judy Gilmore AFR/TR	Date 9/6/90	R. Anderson PFM/FM/PAFDR	

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to Signature <u>N/A</u> Date _____ Title _____	17. For the Agency for International Development Signature <i>James Govan</i> Date 9-20-90 Title Deputy Director AFR/DP
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AFR/PD/CCWAP
OAR/Guinea-Bissau
REDSO/WCA, PD
REDSO/WCA/WAC)
AFR/TRA
AFR/CCWA
AFR/D

Date Posted: 9/19/90

PT E/P/A/A/PNP

OFFICE OF FINANCIAL MANAGEMENT

FUNDS RESERVED BY: *L. Anderson*

Bolinger/
Kilgour
Memo dated
Jan. 26, 1990