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IMPACT

FOOD SECURITY AND NUTRITION MONITORING PROJECT



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**A TWO-TIERED EVALUATION
OF AFRICARE'S PL480 PROGRAM
IN GUINEA-BISSAU:**

**Food Security Impacts of the Monetization Process,
and of the Activities of the Tombali Region
Rural Associations Supported by the Sale Proceeds**

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Supported by the Sale Proceeds**

EXECUTIVE SUMMARY

INTRODUCTION

This evaluation was carried out in March 1994 on behalf of Africare by the United States Agency for International Development, Office of Nutrition's Food Security and Nutrition Monitoring Project (IMPACT), in collaboration with the Office of Food for Peace. Given that a focus on and a strengthening of PVO Title II activities is likely under A.I.D. reorganization, and that a 1993 GAO report recommended that A.I.D. "develop and systematically apply methodologies and performance indicators to monitor and evaluate the impacts of food aid programs on food security" and "direct that missions and PVOs collect the data necessary for such evaluations",¹ the opportunity for IMPACT to collaborate with Africare in the design of a methodology for defining, monitoring, and evaluating the linkages between Africare's program objectives and food security was timely and useful. The evaluation thus had a dual purpose: to incorporate food security objectives more explicitly into the Africare Guinea-Bissau program; and to contribute to the global assessment and the development of appropriate monitoring systems for evaluating the future food security impact of US food aid funded programs.

Africare has been implementing a PL480 Title II program in Guinea-Bissau since 1991. Wheat flour and vegetable oil are imported and monetized by Africare through direct sales to local traders. Local currency funds generated are then used to support small rural producer Associations in the southern region of Tombali, through the Tombali Sustainable Rural Initiatives Project (TSRIP). Food security is fragile in Guinea-Bissau, which has a very high under-five mortality rate of 250 per 1000 live births and a low birthweight rate of 18%, indicating serious malnutrition among women.

General Conclusions

Earlier evaluations of the Africare Title II program in Guinea-Bissau stressed the positive impact on national hard currency reserves and liquidity, and the sound organizational basis for sustainable rural development created through the Tombali Sustainable Rural Initiatives Project (TSRIP). The evaluations recommended extending both program components until 1998, and funding an expanded Tombali project through increased PL480 imports.

¹General Accounting Office, July 1993. Food Aid: Management Improvements are Needed to Achieve Program Objectives, p. 6.

These recommendations are endorsed here, although it is clear that the food security impact of the project has been uneven. This is not surprising, given that the project was not conceived with food security objectives in mind. Nevertheless, evaluating the food security impact of the Africare program is a valuable exercise, and has resulted in recommendations for improving project design in order to achieve food security goals in a future phase.

Monetization of Title II commodities has had a generally positive impact, and it is notable not only that **PL480 food is having an important price stabilizing effect**, but that it is also **reaching right down to the poorest households** at the end of marketing chains. It is, however, difficult to attribute real improvements in food security in Tombali to the TSRIP. Other factors are probably responsible: structural adjustment reforms, new roads, and the fact that many TSRIP-assisted Associations predate Africare's involvement.

A solid foundation has been established for an expanded small scale rural credit scheme. The Africare program has also established an excellent base for genuine local level development supported by credit and investment funds created by the sale proceeds of the monetization. Adopting a wider view of food security, which incorporates non-food elements such as sanitation, road access, and education, will allow future project activities to have greater food security impact.

The focus of future activities should be on unblocking constraints to improved productivity and greater income diversity based on existing farm and food processing strategies. With measures to strengthen the impact and benefits of credit assistance, not only can significant food security improvements be achieved for assisted populations, but small surpluses and savings can be generated for reinvestment and future growth out of poverty.

National Level Food Security

Underlying socio-economic processes are important determinants of longer-term food security in guinea-Bissau. These include:

- a **high population growth rate (2.6%)** which, in spite of the notable rural exodus and urbanization now underway, is resulting in a growing rural population in absolute terms;
- **climatic change** (a declining rainfall trend);
- **land enclosures** by external (non-village) interests;
- **urban growth** without accompanying increases in employment opportunities;
- **price inflation** related to structural adjustment reforms (SAP);
- **an increasing workload for women** as men leave to find work (in both rural and urban households).

The net effect of these processes is an intensification of agriculture on a diminishing resource base, with clear implications for rural household food security over the longer term as yields and farm based incomes decline. The same processes will reduce marketed national production in support of growing urban populations now dependent upon purchased food supplies, which will increasingly have to be provided by imported commodities.

Yet Guinea-Bissau is still a fertile country with the resources it needs to feed its population. The food security issue therefore hinges around ensuring that poor households gain adequate access to basic foods through market and other direct distribution mechanisms, while initiating measures to counter the negative effects of agricultural intensification (raising yields and labor productivity) and supporting measures to improve land use and natural resource management.

This evaluation of the Africare program, therefore, looks at food security impact at two complementary levels: first, ensuring adequate entitlement to food for poor households over the shorter term, while second, addressing the longer term concerns of food security which include the alleviation of poverty and measures to tackle the underlying causes listed above.

National Food Security Policy

This evaluation is also set in the broader context of Government of Guinea-Bissau (GOGB) food security policy. A review of current policy reveals how it focuses on a narrowly conceived supply-side view of food security, based only on cereals availability (principally rice, which is the main staple of most households). Policy has been preoccupied with raising national rice production and achieving national self-sufficiency, but has lately been modified to encompass food self-reliance based on a combination of national production and a stronger import capacity. This more balanced view gives great emphasis to new private sector development which can boost exports and underwrite national food import capacity.

A cereals analysis shows the country moving towards national level food security in supply-side terms, with projected 1994 supplies just enough to cover existing needs. The trend is only just keeping pace with population growth, although national production continues to rise steadily and in 1994 will meet some 60% of total requirements. Direct food aid deliveries are now only a small part of total cereal supplies, but import capacity to cover the deficit is dangerously dependent on just one export crop (cashew) and underwritten by significant balance of payments support from a range of donors.

In this context, **national food security is fragile**, and even small levels of food aid (including WFP rice going directly to health and education projects) can **provide an important buffer between cereal requirements and projected supplies**. Current policy is, however, minimizing the disincentive effect of food aid on national production, and highlighting the need to not only raise national rice production, but make it more competitive with cheaper imported rice.

The continuing fragility of food security in Guinea-Bissau underlines the fact that there are serious flaws in current GOGB policy, which the Africare program could also address:

- a failure to recognize the important contribution to household food security made by a diverse range of non-cereal and processed crops produced almost entirely by small farms;
- a failure to recognize the important contribution which these same crops make to national level food security, by making up a large, but unrecorded component of export earnings;
- an undervaluing of village level activities which creates and sustains unequal exchange relations between villagers and more powerful socio-economic groups (national and regional), to the benefit of the latter;
- a failure to adequately include non-food factors in the equation - roads, health, education, markets and marketing, socio-cultural factors - and thus give insufficient investment priority to these activities in more distant, yet productive areas of the country.

Although not originally conceived to meet specific food security objectives, it is therefore also appropriate to ask if the present Africare program is also addressing these problems or, with some modifications, can address them in its planned extension through 1998.

Food Security Impact of the Program

The most important single conclusion is that **monetization** is achieving a double impact: **getting food down to the target population more effectively** than other mechanisms, and **generating funds** for (potentially) food security enhancing activities at local level (which will contribute towards ending the need for food aid over the longer term).

Monetization

Monetization of wheat flour and vegetable oil is having a **positive food security impact** at the national level by filling gaps in the food supply system. With overall requirements only just covered by supplies (including projected food aid imports), even the small quantities imported by Africare are an important increment and buffer. More importantly, such situations are often characterized by price instability, and Africare flour and oil are an important **stabilizing influence** which has benefitted rural and urban consumers alike.

The chain between Africare and the final consumer, whether urban or rural, is relatively short, and does not appear to result in inflated prices due to excessive profits and multiplier effects. Flour imports maintain bread supplies when commercial imports falter, with **employment implications** in urban Bissau especially. Given that the bread price is in effect regulated, deliveries cannot be said to directly stabilize or lower prices, but they do seem to have a positive stabilizing effect on the baking industry as a whole.

Shipment of **oil in barrels** allows small retailers to dispense the oil in very small quantities which allow the **poorest households some access** to this product. This form of shipment should be maintained, in spite of requests from wholesalers for smaller drums or prepackaged oil. Prepacks would inevitably result in higher consumer prices and deny access to the very poor. There is **no disincentive effect on palm oil production**, although consumption per household may have fallen. Using cheaper oil at home is, however, allowing profits from palm oil processing to be maximized (demand in Senegal is still rising with constant price increases), with a positive impact on rural household cash incomes.

Delivery schedules should keep in mind peaks and troughs in demand. A **mix of commodities** might also be considered - millet to come into the market during the rains, or a wheat shipment timed to match rising rural demand in the rainy season supply.

Tombali Associations

Food security for most households in the **TSRIP area has improved** in recent years, at least in terms of access to external food sources and expanding markets for local products. This is, however, mainly attributable to an improving 'enabling environment', notably market and price reforms under the SAP which have allowed the reemergence and expansion of regional trade. A major new road has expanded access. Villages have responded to the new opportunities made possible by these developments, as is the case of Associations which are producing new crops (vegetables, tubers etc.) with a positive impact on both diet and income. Many of these Associations, however, were created prior to the TSRIP.

While food security has improved, it is still very poor, with all villages experiencing a 'hungry season' during the rains and poor outcome indicators such as child mortality and malnutrition still very evident. In addition, most communities have reached a plateau in their initial response to the 'enabling environment' and are now clearly constrained by an absolute lack of credit resources and skills.

In this context, the TSRIP has created an excellent base upon which to launch what has the potential to be a development initiative with strong food security impact, by offering villages the resources and skills they need to continue benefiting from the new economic environment, and to be able to negotiate more effectively with external interests.

The TSRIP trainers are well educated and motivated. An strong feature of the project is the contractual obligation to live in the villages. Even with preexisting Associations, their work to date has had a **positive impact on organization and basic management skills**, through training in bookkeeping, resource planning, and administration. Once minor operational problems are resolved, they will be able to move forward to complete the essential step of legalizing the Associations as a prerequisite to their being given credit.

The **TSRIP credit component** is the key to future food security impact. Taking into account the vastly undervalued importance of the wide range of non-cereal activities villages *already*

practice, the TSRIP trainers should adopt a two level strategy when helping villagers decide on appropriate activities to support with small credit assistance:

- give priority to measures which allow villages to raise the productivity of *existing* activities which constitute the existing community food security strategy;
- only take on new activities after careful consideration of their viability and long term future (thinking, for example, of the impact of cheap imported commodities when considering artisanal soap making).

Activities decided upon should then be backed up by the present **focus on management and planning skills**, reinforced by efforts to increase the availability of *regional market information*. The objective is to raise the value of local products and income accruing to local households, by raising productivity and giving villagers the skills and the resources needed to negotiate with traders.

Devising an appropriate credit scheme is essential. Drawing lessons from the two cases where credit has already been disbursed, a series of recommendations are made to simplify the loan procedures, establish clear repayment schedules, and insist on contractual agreements between Association members.

Training and Monitoring

While **TSRIP trainers** are dedicated and doing a good job, they have **not had an appropriate conceptual framework** within which they (and the Associations they work with) can order activities and resource allocation in terms of short and long term priorities. Food security should be explicitly introduced as a fundamental objective of the program, providing a conceptual framework for assisting the trainers and the Associations to determine the best mix of useful and profitable activities.

A food security framework will also help trainers link Association activities within the wider context of their communities. Social and economic relations with the wider community play a decisive part in determining the success or failure of Association activities. In some cases, these relations have actually obliged Associations to use all their accumulated funds (and some credit) to resolve urgent food needs or other problems being experienced by their families and neighbors.

The training element of the evaluation exercise also helped to identify appropriate indicators and systems for evaluating food security impact during the next phase of the TSRIP. Provisional indicators are presented in terms of national and local level impact:

- National level:
 - track more effective national nutritional statistics;
 - develop measures of income distribution;
 - periodically study food aid marketing chains linking Africare to the end consumer (checking for price differentials, and for penetration right down to the poorest rural households);
 - collect price data on food aid commodities to assess the impact of shipments on price stability and product-specific price inflation.
- Local level:

Indicators for the impact of TSRIP activities address three 'nested' levels:

- an outcome indicator for individuals, namely the nutritional status of TSRIP women and children;
- an outcome indicator at the household level, which might include a periodic assessment of household income and expenditure on food (including food basket composition);
- indicators to show the broader food security situation at the village/regional level, which might include the number of productive activities, number of new activities in the last year, distance from a good/bad road, good/bad rainy season access to the village, number of carts/trucks in the village, regularity of trader visits, adequate clean water, functioning base health post, schools, etc.

It is stressed that the development of an appropriate monitoring system should be an interactive process, carried out in collaboration and with the full participation of the beneficiary communities. Thus indicators will be refined, adopted, or rejected as appropriate as the next phase of the project gets under way. It is suggested that the Department of Nutrition be brought in on the monitoring exercise, and its activities supported by funds generated by monetization.

Recommendations

Monetization

- *Proceed as at present*, with some attention to details: timing, commodity mix, packaging. Be aware of peaks and troughs in demand. These details will be more important if the quantity of PL480 commodities is to be increased to fund expanded TSRIP activities. The proposed tender auction (sealed bid) system should be tried, in the context of the

wider USAID Trade Investment, Promotion, and Support Program (TIPS) supported efforts to strengthen competition and stimulate the emergence of a commodities market in which more players can participate (with beneficial price consequences).

- *Coordinate better with the Ministry of Commerce* when planning imports (quantities, mix, delivery times), and through this mechanism, improve coordination with other food aid donors.

TSRIP - Credit Scheme

- *Simplify* the loan procedures, based on a personal loan model bearing interest on an APR basis.
- Establish *clear repayment schedules*, based on monthly payments but allowing for the nature of activities (monthly, quarterly, etc. as appropriate).
- Maintain a clear distinction between *investment and production* loans, perhaps with different interest rates, although simply giving investment loans a longer repayment period at the same interest rate is a simpler approach and preserves the capital value of the credit fund.
- Draw up *contractual agreements* between Association members *establishing obligations, sanctions, winding-up procedures, etc.*
- *Interest rates must be positive with respect to inflation.* Before the credit component begins, Africare should take the initiative (as the major potential rural credit project in the country at the moment) to convene a *national credit workshop for all interested parties*: banks, GOGB credit programs, NGOs, other donors, with at least one outcome being imperative: broad agreement over the rates of interest charged. If this does not happen, villagers will still be faced by widely different rates which will undermine the efforts of all programs to establish effective programs which can form the base for a future national credit system.
- *Social and ceremonial obligations* of Association members must figure in credit assessments. These must be included within an assessment of the income and expenditure of individual Association members, which in turn should form the basis of assessing the level and viability of loan applications in relation to capacity to pay. An upper limit of US\$2000 per loan per Association at any one time is recommended, rising to US\$10,000 in the case of Associations intending to begin or expand *open sea* fishing activities.
- *Tie credit to an experimental savings scheme.* This will help counteract fears among villagers of high interest rates, and promote the generation of small funds by Associations prior to their taking on a loan. If the savings account were also used as the holding

account for the loan funds once disbursed, this sense of gaining from interest as well as paying will be reinforced, and Associations will be encouraged to learn the basics of cash and account management (and accountability).

TSRIP - A New 'Food Security Initiatives Fund'

- Create a fund to help *alleviate constraints at the communal level*. Activities might include improving an access road, building a small bridge to ensure rainy season access, or repairing or installing a water point. The Fund would *pay for externally sourced capital inputs* on a grant basis. Villages will be encouraged to raise a small counterpart fund through a variant of traditional mechanisms for raising resources from member households for communal purposes (*abota*). In addition, they will contribute labor and local materials as appropriate.

National level - TSRIP - Support to Nutrition Education

- Earmark part of the funds generated by the monetization for *budgetary support to the Department of Nutrition in its implementation of the new National Plan of Action for Nutrition*. The Department identifies a key food security problem as lack of knowledge about nutritional problems and solutions using existing resources. Support to the Department would also include an agreement to carry out the nutritional surveillance and food security monitoring work in TSRIP villages, within the wider National Plan objective of establishing an effective national surveillance program.

Training

Additional training inputs are required:

- a *credit specialist*, to teach TSRIP trainers the real facts about credit programs and how to operate them (including how to get the message across about interest payments - positive rates are usually cheaper than traditional loans in kind, for example): one initial visit to design the credit component and train trainers; follow-up visits after six months, one year, two years.
- *upgrade food security analysis/skills*: Around July 1994, see how trainers have applied ideas so far, upgrade knowledge where needed, and feed into an evolving food security monitoring system (indicators, key issues etc.).

Given that Africare is a US NGO, some English language training is suggested for key national staff, to facilitate more active and constructive dialogue with visitors/trainers/specialists and promote efficiency overall (this would also be welcomed by staff as a valuable skill for their future careers).

CHAPTER I INTRODUCTION

This evaluation was carried out in March 1994 on behalf of Africare by the United States Agency for International Development, Office of Nutrition's Food Security and Nutrition Monitoring Project (IMPACT), in collaboration with the Office of Food for Peace. Given that a focus on and a strengthening of PVO Title II activities is likely under A.I.D. reorganization, and that a 1993 GAO report recommended that A.I.D. "develop and systematically apply methodologies and performance indicators to monitor and evaluate the impacts of food aid programs on food security" and "direct that missions and PVOs collect the data necessary for such evaluations",² the opportunity for IMPACT to collaborate with Africare in the design of a methodology for defining, monitoring, and evaluating the linkages between Africare's program objectives and food security is timely and useful. The evaluation thus had a dual purpose: to incorporate food security objectives more explicitly into the Africare Guinea-Bissau program; and to contribute to the global assessment and the development of appropriate monitoring systems for evaluating the future food security impact of US food aid funded programs.

Africare has been implementing a PL480 Title II program in Guinea-Bissau since 1991. Wheat flour and vegetable oil are imported and monetized by Africare through direct sales to local traders. Local currency funds generated are then used to support small rural producer Associations in the southern region of Tombali, through the Tombali Sustainable Rural Initiatives Project (TSRIP).

No state entities are directly involved. The International Bank of Guinea-Bissau (BIGB) provides bank guarantees to traders, whose payments are deposited by Africare into an Africare account also at BIGB. Local currency funds generated are then used for the TSRIP. Africare uses a local clearing agent (GUIPORT), finds its own buyers, and negotiates purchase contracts directly with them.

Earlier evaluations stress the contribution of the program to conserving foreign currency reserves, and the way it eases severe liquidity problems in financial sector institutions by bringing Guinean pesos (PG) circulating in the informal sector back into the formal sector. Favorable reviews of the TSRIP stress the good foundation laid for future sustainable development activity, and support a recommendation that the program be extended through to 1998, and expanded by increasing PL480 Title II shipments.

USAID has approved a monetization for FY 1994, but has deferred approval of the project extension until an evaluation of the food security impact of the program were carried out. This evaluation would then contribute to the preparation of a new Multi Year Operational Plan (MYOP) for the extended period, which will bring food security objectives more fully into the program. In this context, the following specific issues are considered:

²July 1993 General Accounting Office, July 1993. Food Aid: Management Improvements are Needed to Achieve Program Objectives, p. 6.

- the food security impact of the program in each of its two main forms: the monetization process, and support to the Tombali Associations;
- the identification of specific food security indicators and proposals for implementing a monitoring system in Guinea-Bissau;
- the training of Project Coordinator and Trainers in basic principles of food security issues and Rapid Appraisal.

This report ends with a series of recommendations and comments for the new MYOP for the period 1994 - 1998. These reflect conclusions arising out of two complementary lines of enquiry. Firstly, interviews were carried out with wholesalers, traders, and bakeries, to establish the food aid marketing chain and assess its impact down to household level. Secondly, a week was spent in Tombali Region visiting village Associations, GOGB officials, and others, to evaluate the operational effectiveness of the TSRIP and its present and potential food security impact on assisted communities. These two lines of activity were backed up by an extensive series of interviews with GOGB officials, donor agencies, and banks in Bissau. A list of all persons, firms and other organizations interviewed and visited is included in Annex 3.

To fulfill the third purpose of the IMPACT investigation, the IMPACT consultant also carried out two short training courses in food security and rapid appraisal techniques, for TSRIP trainers in Cacine and Quebo. An account of the training, and proposals for the monitoring system component are presented in Annex One.

The IMPACT consultant was accompanied throughout the evaluation by a counterpart from the Ministry of Commerce and Industry, Dr Adbu Mane, who in his official capacity is Legal Adviser to the Ministry and reports directly to His Excellency Minister Ansumane Mane. Dr Mane has prepared a separate report of his observations which provides an excellent summary of the visits made to selected TSRIP supported Associations. This report is included in full in Annex Two for reference, and to underline its constructive contribution to the evaluation.

For the Monetization Component, the evaluation team included Marcelo dos Santos (Monetization Manager, Africare-Bissau), Luis Tavares (Assistant to the Representative, Africare-Bissau), and Harold Tarver (Africare-Washington). To evaluate the Tombali project, the IMPACT consultant and Dr Mane were accompanied throughout by Antonio Madiu Embalo (TSRIP Coordinator) and Celestino Sa (TSRIP Training Coordinator).

All of the above have contributed fully to the discussions about the program and the food security issue. While the report has been prepared with these contributions fully in mind, the conclusions and recommendations remain the sole responsibility of the IMPACT consultant. The other team members also bear no responsibility for any errors and comments the report may contain. Nor does report represent in any way the official position of either USAID, Food for Peace, or Africare, except where explicitly cited in the text.

CHAPTER II BACKGROUND

A. INTRODUCTION

Guinea-Bissau has one of the highest infant mortality rates (IMR) in the world. Twenty five percent of all newborn children are likely to die before reaching five years of age. Figures for 1990 show the most common direct causes to be malaria (36%), diarrhoeal disease/dehydration (15%), and acute respiratory infections (14%).

Malnutrition alone is not a major cause of death, accounting for 2% of young child deaths (GOGB/UNICEF 1993). It does, however, contribute by rendering children more vulnerable to infection and less able to fight back when sick. The World Bank supported National Nutrition Survey of 1991 showed 58% of children under five years of age to be one standard deviation or more below the median weight-for-age, and 33% below two standard deviations.

Women, especially pregnant or breastfeeding, are the other most vulnerable group from the nutritional point of view. The maternal mortality rate (MMR) of 900 deaths per hundred thousand live births is also amongst the world's highest, with pregnancy related complications being the major cause of death.

The extent of adult female malnutrition is reflected in the 18% low birthweight rate amongst newborn infants in the National Simão Mendes Hospital, and a 74% level of anaemia. These figures underline the difficult life of most women in Guinea-Bissau. As in all African countries, they are the main agricultural workforce in addition to being responsible for domestic chores. The rural exodus also means this workload is actually increasing, as women do more tasks which were once the responsibility of men.

New activities for women, such as horticultural Associations, take on added significance in this context. While improving cash income, these activities may actually increase the working time of women. Women still provide food for children, from their own fields or labor, but with added tasks are often in fact the principal economic support for many households. Most work through pregnancy, and return to work soon after a birth. Many births, spaced too close together, aggravate the nutritional and other physical consequences of their way of life.

The database is very weak, but the Department of Nutrition says there are clear signs of a deterioration in nutritional status in recent years. While not directly comparable with 1991 data, national figures from 1978 showed 23% of children aged 1 - 4 years to be moderately or severely malnourished by the weight-for-age index.

Nutritional status in urban and peri-urban areas especially is deteriorating, due to a complex pattern of rising unemployment and poor hygiene as a growing rural exodus drives the urban population growth rate upwards at close to 6% per year. Added to this are important questions

of intra-household food distribution which affect children especially, and a lack of knowledge about good nutrition among poor, mostly illiterate mothers.

Health officials, supported by anthropological and survey data, also point to changes in diet, including rising bread consumption, as a possible contributory factor. Dietary changes interact with broader socio-economic trends to reduce the nutritional quality of diets and lower the food security of the most vulnerable, youngest household members.

Food aid appears to be an obvious solution. Yet simply using food aid to combat malnutrition and reduce the risk of death for children exposed to disease and infection does not constitute food security. Moreover, Guinea-Bissau is a relatively fertile country with a small population, and has resources which are easily sufficient to support its people at a more than adequate level and, in addition, generate surpluses for development.

In this context, food aid must address the wider definition of food security: access for all members of a society, throughout the year and every year, to a nutritionally adequate diet which satisfies physiological, social, and economic needs as well as providing for reserves to cover shortfalls as they arise.

The analysis must also take into account broader social and economic processes which are influencing access. Underlying demographic trends are worrying. A rural-urban exodus is underway, but the underlying population growth rate of 2.5% per annum means the rural population is still growing in absolute terms (up from 706,000 in 1988 to 822,000 in 1992). Yet the exodus is also reducing the proportion of economically active rural residents, down from 56% in 1988 to 53% in 1992. In other words, women (already the major work force in agriculture), children and older men are increasingly having to bear the load of maintaining production not just for their own families, but to maintain an adequate supply of marketed national production to meet growing urban demand.

Many rice growing areas, especially in the south, have never recovered from war damage. A more serious long term problem is the long term decline in rainfall in all parts of the country, which is effectively taking large areas out of production, reducing yields, or forcing changes to long established cultivation patterns. Land enclosures, as external interests secure concessions on village lands, are adding to this process, by occupying land needed by villages to maintain their multi-crop, long rotation agricultural systems. Taken together, these factors are all increasing pressures on already degraded environmental resources, with important and serious implications for long term food security for all Guineans, rural and urban.

B. NATIONAL FOOD SUPPLY AND FOOD POLICY

Post-Independence policies centered around a state monopoly marketing system focusing solely on the main export earning crops for European markets: cashew, wood, seafoods; and cheap food imports sustained by an inflated exchange rate which favored urban consumers over rural producers. Little attention was given to the considerable interregional trade which was an

important feature of pre-Independence farm strategies, giving small farm households access to wider markets and a diversified income base³.

Seen from the point of view of development planners and analysts in the late 1980s, the resulting rural economy appeared to be non-monetized and characterized by a poorly developed rudimentary subsistence agriculture. What is apparent, however, is that farmers, deprived of both internal and external markets, reverted to what appeared to be purely subsistence production, while maintaining high risk clandestine links with the Senegalese market. Far from being non-monetized, they continued to value *useful* cash, with the hard currency CFA replacing the national currency which no longer served any useful purpose. More importantly for development initiatives today, village farmers also lost all confidence in State financial and development structures (including the Post Office savings system).

National rice production fell to some 30,000 tons (unhusked) in 1980, and the country became increasingly dependent on food aid to feed urban (Bissau) residents. Severe urban shortages in fact contributed to pressures leading to a change of government in late 1980, and policy turned back towards agriculture as the basis of a successful development policy.

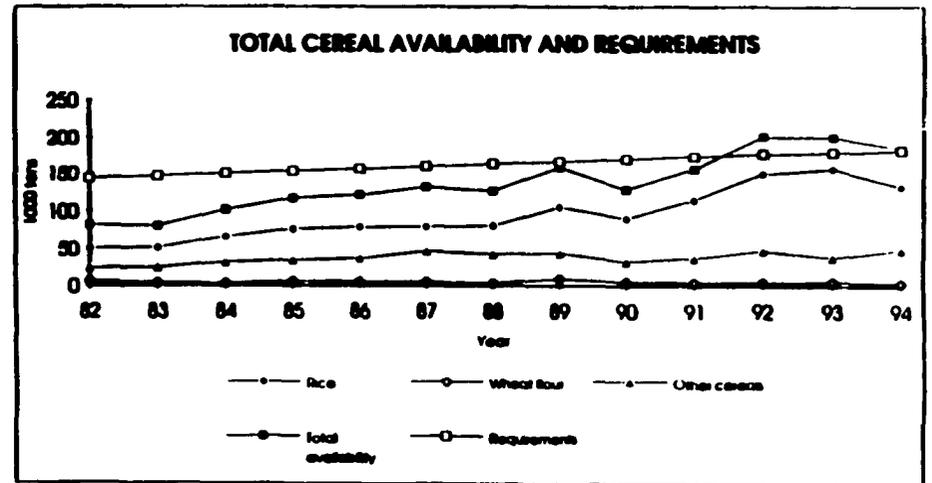
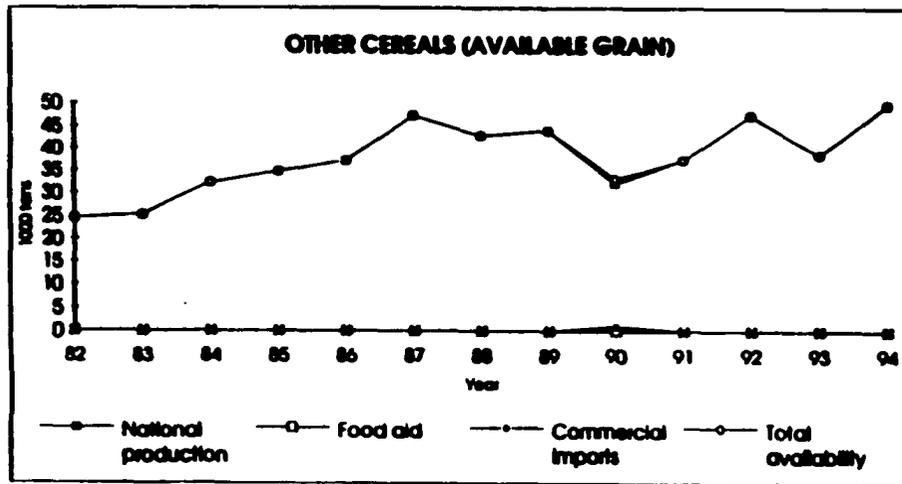
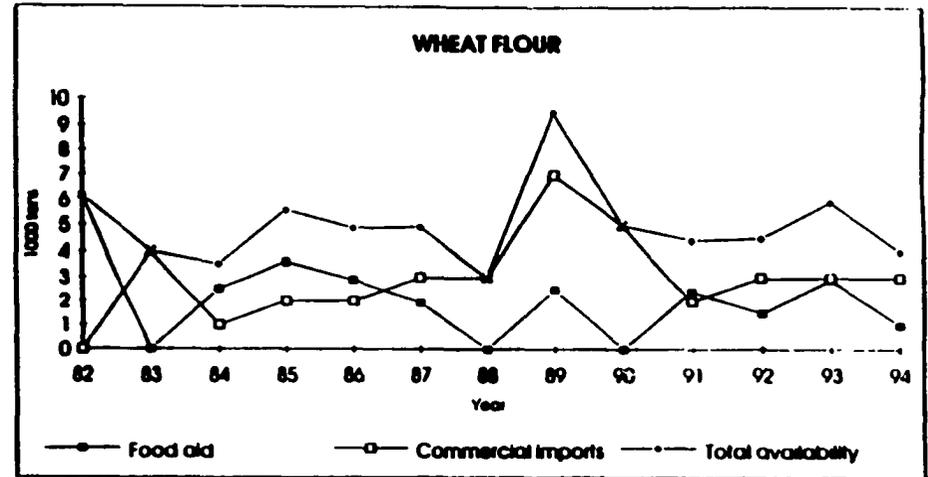
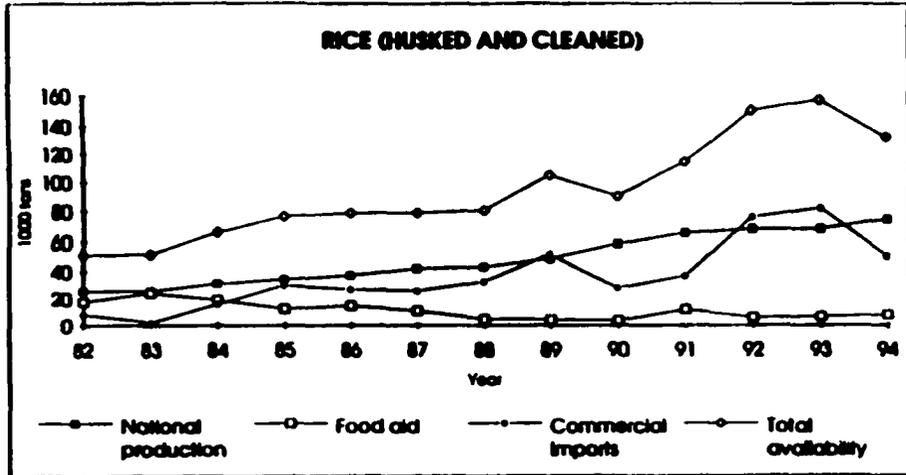
National production responded significantly, especially after structural adjustment reforms (SAP) began in 1987. Rice production has risen, from 88,000 tons in 1988/89, to an estimated post-Independence high of 135,000 tons in 1993/94, although production of other staples - sorghum, millet, maize and cassava has not kept up with population growth. Figure 1 shows gradual progress towards supply side food security. With a 1994 population of 1,059,000, and cereal consumption estimated at 176 kg per capita per year (130 kg of rice, 9 kg of wheat flour, and 37 kg of other cereals like sorghum and millet), 1994 cereal requirements are 186,000 tons, to be met by a mixture of national production, commercial imports and food aid. It is notable that food aid support for the basic rice staple has declined accordingly as the GOGB and donors have together tried to stimulate domestic production and avoid disincentive effects.

Figure 1 also shows the continuing fragility of national level food security. Assuming the data available are reasonably accurate⁴, needs are only just covered by supplies in 1994. Price reforms have also severely affected wage dependent urban households, and rural producers still lack the skills and resources to raise productivity or develop new crops to export or sell locally. Given that import capacity is also underwritten by significant balance of payments support from the EU, Sweden and multilateral lenders, this situation cannot be called 'secure'. If support suddenly declined, import capacity would be seriously affected and the country would have to

³ Ribeiro & Miranda (1993) present a strong case for this assertion, which is amply supported by field and anecdotal evidence.

⁴ The production figures are drawn from various sources. Data for 1982-88 have been adjusted to reflect methodological changes introduced in 1989 and officially adopted in 1992, under the auspices of a UNDP/FAO funded project to revise and upgrade the working methods of the Agricultural Statistics Division (DEA).

FIGURE 1: CEREALS AVAILABILITY AND REQUIREMENTS, 1982-94 (1)



(1) 1987-88 rice/other cereal production adjusted by 0.54/0.63 respectively, to reflect post-89 GAPLA/DEA methodology.
Sources: WIP 1991 & discussions; IRAM 1991 (Series G); MDRA 1993 (August); SEPLAN 1994; MCI 1994.

resort once more to higher levels of food aid assistance, or face severe shortages if none were available.

GOGB policy continues to focus on achieving national self-sufficiency, specifically by stimulating national rice production which presently struggles to compete with cheaper imported rice. People point to net exports of rice before Independence, the large areas of suitable but uncultivated land which could be brought into production, and the special rice producing skills of rural Guineans. New techniques and strictly commercial farm systems could easily raise yields and more than meet national needs.

Ribeiro (1989) argues, however, that the country has never been an exporter in real terms, and states plainly that Guinea-Bissau is a deficit country from the cereals point of view. This view is supported by the requirements chart in Figure 1, and is increasingly underlined by declining trends in rainfall. From the point of view of present food strategies, however, the important point about the pre-colonial period is that rice exports are unlikely to have reflected a consistent surplus in relation to needs, but rather a marketed surplus taking into account the availability of other food products.

It is clear that the food security of most (i.e. rural) Guineans was not dependent on rice production alone, but instead was based on a mix of home consumption and trade in a diverse range of products (including rice, groundnuts and transformed products like palm oil). This is an important point when considering small farm strategies today, particularly if the market economy is seen as *reasserting* itself rather than being implanted from scratch. This view also has major implications for GOGB food security policy and the role of the Africare program.

Under the SAP, the preoccupation with self-sufficiency has been challenged by advocates of a more balanced policy based on self-reliance (i.e. combining food production with an export-lead capacity to import enough additional food to cover the deficit). This approach has been supported by USAID in Bissau, and indeed the agency can be credited with promoting its apparent ascendancy over the older, more simplistic view of self-sufficiency. Self-reliance obviously depends upon adequate and secure export production. Yet official policies have failed to learn the lessons of earlier days, and have focused heavily on cashew nut exports.

Cashew production has steadily risen since the early 1980s, replacing groundnuts as the main export crop (Table 1). Export earnings rose dramatically by US\$5.7 million in 1987, with cashew alone contributing US\$5.6 million. This is equivalent to 81% of export earnings from agriculture, compared with 20% in 1983. Commercial imports of both rice and wheat flour subsequently rose (Figure 1), implying that this policy was also having an impact on improved food security.

TABLE 1
CONTRIBUTION OF PRINCIPAL PRODUCTS TO EXPORTS (tons)

	Cashew Nut	Raw Cotton	Cotton Seed	Palm Oil	Palm Nuts	Ground Nut	Uncut Lumber	Sawn Lumber
1983	2000				5300	8300	3800	300
1984	8000				6900	8100	2700	n/d
1985	6600				2500	4300	800	890
1986	6000				7600	2400	2000	1810
1987	10470	733		10	5900	3300	2970	2080
1988	10500	1050	1200	1120	6500	3900	3160	790
1989	9410	874	1000		5100	2000	3080	970
1990	16410	263			1600	2200	5980	3009
1991	15670	483	905			1100	6080	122
1992	3650	413	500	24	3248	436	5201	204

Source: Ministry of Rural Development and Agriculture (MDRA) 1993b

The dangers of relying on one crop are obvious, and indeed the cashew price has since fallen. Unexpected problems can also occur. In 1992, merchants, faced by falling prices, refused to pay the high export taxes (still set at 23%). The GOGB has only now, in early 1994, cleared the 1992 crop at a price far less than in 1992, weakening traders and the General State Budget in the process. Locust swarms which attack flowering cashew trees as well as cereals and vegetables have also appeared in February 1994. It is not yet clear how serious their threat is, but they underline the vulnerability of relying on one main crop. Major new production is also likely from post-war Mozambique, making dependence on cashew over the long term a high risk strategy.

The GOGB recognizes this, and is receiving support from donors including the USAID-supported Trade Investment, Promotion, and Support Project (TIPS), to promote high value tropical fruits for European markets. This is reminiscent of early pre-Independence preoccupations with distant markets, and again overlooks the important contribution of other, already established crops with a regional dimension. While the economic milieu is radically different, the new approach again reflects a macro-economic analysis of national needs, with the food security question seen almost entirely in terms of supply side factors and cereals availability.

Thus major focus of investment is the new 'private sector' of agricultural concession holders (*ponteiros*), who farm on land granted as concessions (*pontas*) through the formal legal system as opposed to land held through customary tenure procedures. A recent GOGB report has stressed, however, that *ponteiros* are cultivating only a small fraction (less than 5%) of the areas they control (Ferreira et al 1993). Concession claims supported by 'project' proposals were also devices for securing hard currency loans available through donor-funded programs initiated in response to SAP reforms. Not only were these funds rarely paid back (in counterpart Pesos), but most appear to have been used for non-agricultural purposes.

Large debts are still outstanding and the result has been a severe credit squeeze and the collapse of development investment lending. Serious *ponteiros* and thousands of small village farmers are now severely constrained by lack of credit. They are also still seriously hampered by poor infrastructure (notably access roads), lack of air freight space and reliable, low-cost, land transport, and red tape. This is in spite of a rise in the share of agriculture (rural development) in the Public Investment Program (PIP), from 9% (US\$4.9 million) in 1979, to 35% (US\$20.1 million) in 1990.

It is apparent that much of the investment has been either inappropriate or misappropriated, and has made little real operational impact. Even good investment is being wasted, as Government capacity to operate the resulting services or infrastructure is severely compromised by budgetary factors. Rural Development's share of the General State Budget has *decreased* in recent years, in spite of official declarations that it is a priority sector.

One concrete indication of this is that the Ministry of Rural Development has no funds to pay utilities bills, and has had no electricity or telephones since August 1993. Another is that there has been no significant change in the contribution of agriculture to GDP, which has hovered around 50% since the early 1980s. A third is the fact that food security in the countryside is tenuous at best, with still high infant mortality rates the most painful outcome indicator of the lack of real support to the agricultural sector.

The other major foreign exchange contribution to national food security is the sea, but the national fisheries sector is also constrained by lack of infrastructure, credit, and access to materials. Neither local fishermen, nor the General Public Budget, is truly benefiting from the huge potential which this resource offers the country, with most of the profit going abroad either through industrial fleets or poorly policed and better resourced artisanal fisheries from neighboring countries.

Economic growth has stagnated after the rapid growth of the early SAP, and the export lead strategy is in trouble. It is patently failing to provide adequate foreign currency earnings to reduce dependence on external balance of payments support (the PIP is still over 90% funded by donors). It is too dependent on one crop. And it is not supporting those farmers and those activities which can make the most contribution to national production, and thus address both the supply and *demand* sides of the food security equation. Far from having a robust food import capacity, Guinea-Bissau is struggling to service its debts and unblock frozen structural adjustment and other external assistance credits which are essential to provide its farmers and fishermen with the support they need.

C. FOOD SECURITY RESPONSES

How should food aid address these problems? Direct food relief can be ruled out: national level food security is fragile, but Guinea-Bissau is not threatened by dramatic collapses in production or import capacity (assuming donor support continues). An exception may be support to Health

Ministry nutritional recovery programs for severely malnourished children, but this is already catered to by WFP assistance.

The food security contribution must instead be set in a wider framework which goes beyond simply 'putting food in stomachs'. This framework should consider the short to medium term contribution that food aid can make to improving and securing access to the food available; and its longer term contribution to alleviating health and environmental factors which have been identified as major underlying causes of infant malnutrition and mortality.

The discussion above makes a good case for selective and limited food aid still playing a role in underwriting the supply side problem illustrated in Figure 1. Care should be taken over possible disincentive effects, but in general it is clear that food aid overall is providing a small but important cushion to bridge the gap between requirements and nationally sourced supplies (not forgetting that an important element of the latter are imports funded through external balance of payments support).

Secondly, the Ribeiro & Miranda study of cross-border trade (1993), when set in the context of a more comprehensive view of food security, provides an important clue to other uses for food aid. The study emphasizes several dramatic but neglected aspects of rural production in Guinea-Bissau:

- the wide variety of production coming from the village farms;
- the very large volume of exports⁵ (US\$11.3 million in value), which this production is supporting;
- the equally large volume of imports (US\$11.4 million in value) of consumer goods and staples (such as sugar, zinc roofing, and fuel) which this trade is also supporting.

These exports are equivalent to over 50% of official export earnings, and for the most part do not enter official trade statistics. Neither the export or import figures are included in GDP calculations, revealing the obvious but often overlooked fact that *nobody* in Guinea-Bissau today is really living on US\$200 per year, and that this spurious GDP reflects a preoccupation with 'formal' sector economics which is a quite inappropriate focus for development efforts in the current context of the country.

Most importantly, the study confirms that the bulk of this trade originates in the rural small farm and small scale fisheries sectors, and thrives in spite of, rather than as a result of, GOGB investment, trade and taxation policies.

⁵ Exports (Guinean products) and re-exports (of non-Guinean products) are counted together, as are imports and re-imports.

It is here and elsewhere in the long neglected 'informal' sector that the real food *security* of the country is located. Not only do these activities raise the marginal surplus of supplies over requirements shown in Figure 1, they also diversify the income base of thousands of households, broaden the nutritional content of local diets, and, thus, indirectly achieve the same results at the national level. The Africare program should strengthen these additional and unacknowledged contributions to national food security.

The discussion also draws attention to the need for activities which alleviate the pressing health and sanitation problems of the poorest communities, which are an important underlying cause of the present high rates of child malnutrition and death. Other social and cultural factors also enter the framework: the arduous working lives of women, infrastructural problems, access and transport. All must be considered in the evaluation of impact, and program priorities measured and modified accordingly.

D. THE PRESENT AFRICARE PL480 TITLE II PROGRAM IN GUINEA-BISSAU

Early USAID policy in Guinea-Bissau focused on supply side aspects of food security, through a program which evolved to support measures to raise and diversify national food production, promote exports and boost national food importing capacity. Household level aspects were also addressed in 1989, when it was decided to shift from a Title III to a Title II program which also funded local level development initiatives. Africare was chosen as the implementing US NGO.

This shift mostly reflected plans at the time to close the Bissau USAID office, rather than a concern with demand side aspects of household level food security. Indeed the major argument in its favor was that food aid and imports funded through balance of payments support were having a disincentive effect on national production, at a time when liberated prices and market reforms introduced under the SAP were expected to boost rice and other production.

USAID and Africare assessments of different commodity needs, the macro-economic situation, and rural areas covered by existing development programs, resulted in a program with the following components:

- monetization of PL480 wheat flour and vegetable oil;
- a community-level rural development program in the south and east of Tombali Region, which was receiving little Government or donor attention at the time.

The evaluation therefore starts with the definition of food security presented above: access at all times by all people to enough food to satisfy the range of physical, social, and economic needs and provide for reserves. Is the program supporting a process where access is improving? And is it stimulating activities which will render that access permanent, and of maximum benefit to those consuming the food once they produce, buy or otherwise gain access to it?

In rural Guinea-Bissau, food security must also take into account the need to support the high food costs of social and ritual obligations which underpin social relations of production and consumption at the village level. There is also a strong development imperative: to raise the quality of life and, in so doing, secure the longer term food security of the population through improvements to underlying environmental health which is an important determinant of how well available food is absorbed and stored by the body. Household production, and its collective impact on national marketed production, must provide surpluses for investment if Guineans are to escape the cycle of dependence and poverty in which they are trapped.

The food security of the most vulnerable household members must also be considered, especially small children. Even if there is apparently enough food available in terms of calories per capita, children and often women either receive small shares or the food available is nutritionally inadequate for growth or the extra demands of pregnancy and breastfeeding. Whether PL480 food to Guinea-Bissau exacerbates or alleviates these factors must also be considered.

CHAPTER II THE FOOD SECURITY IMPACT OF MONETIZATION

A. NATIONAL LEVEL FOOD SECURITY

Total 1994 cereal needs are around 186,000 tons. National production will provide around 120,000 tons, leaving an import requirement of between 50-60,000 tons. The Ministry of Rural Development and Agriculture (MDRA) estimates that 40-50,000 tons can be imported commercially, and the Ministry of Commerce and Industry (MCI) confirms that it has authorized imports in 1994 (including food aid rice) of 40,000 tons under its Food Import Policy⁶. The Minister clearly is mindful of the continuing need to stimulate national production, but judging by last year's performance (when 50,000 tons of rice were authorized but 2,000 tons finally imported), end of year figures are likely to be much higher.

These figures suggest a deficit to be filled by food aid imports of some 10-15,000 tons. In this context, both the present PL480 program and its proposed 4 year extension appear to make only a very small contribution to overall cereal and food needs in Guinea-Bissau. Given the marginal nature of national level food security, however, even small quantities will play an important role in guaranteeing basic food supplies in the short to medium term, until economic growth and rising exports can begin to more securely support a national import capacity.

B. DISINCENTIVE EFFECTS

Earlier evaluations discount the possible disincentive effects of the Africare monetization, on the grounds that there is rising and unsatisfied demand for both commodities presently imported, and that neither commodity is produced in Guinea-Bissau. While this report broadly supports these conclusions, some qualifications are necessary.

Firstly, while wheat is not grown in Guinea-Bissau, imported flour and bread may be substituting for other nationally produced products: maize flour, bread-type food made from millet or sorghum, etc. This could be one reason for the relative decline in these crops when compared with rice, for example, and the subject merits more detailed examination as the program proceeds.

Secondly, the importations need to be carefully monitored and managed to more closely match changes in national food needs at different points in the year, and to address major differences between urban and rural areas. Wheat flour could have a greater *incentive* effect and help raise national production by more accurately catering to peak energy demands at key times in the year when rice and other cereal stocks are low.

⁶ This policy limits the annual importation of five basic staples: rice, sugar, flour, oil, soap. All other commodities are free from control, and importers are free to decide what and how much to import based on their own analysis of needs, purchasing power, and their access to adequate foreign currency.

Visits to urban and rural bakeries suggest an interesting pattern which supports this observation: demand for bread in Bissau falls off during the main rainy season (July - August); when rice becomes scarce and its price rises, the priority given in local diets to rice consumption means that scarce cash resources are focused on maintaining rice supplies if at all possible; but also because many urban residents return to their home villages to help prepare the next crop. At the same time, the *rural town* bakeries report that demand for bread rises over this period, as bread is increasingly used as a cheaper and more convenient way of providing the food component of agricultural wages or mutual work groups.

This practice may be substituting for traditional alternatives, but shipments which allow bakeries to respond to this increase in demand will have a positive impact to cereals production and the ability of farmers to conserve scarce cereal stocks (thus providing a firmer base for larger stocks in coming years and a more even national cereals supply over future 'hungry seasons'). This will in turn impact on speculative practices amongst wholesalers and importers, who stock cheaper imported rice ahead of the rainy season.

Another question to consider is whether PL480 flour is damaging the development of sustainable longer term trading and import systems which can continue to supply the national market if food aid flour shipments were to cease. While it was not possible to collect comprehensive data on this issue, it was apparent in interviews with both traders and bakers that present levels of PL480 flour shipments are not dominating the market to the extent that non-food aid sources (from Gambia and even directly from Europe) are excluded or cease to offer the major importers an adequate alternative when food aid supplies are not available.

Given current levels of demand, however, (which are limited mostly by current purchasing power), it is possible that this situation would change if flour shipments were significantly increased. USAID and Africare should therefore look for an alternative, supplementary commodity to include in the overall package when planning larger shipments in support of an expanded project in Tombali.

C. THE FOOD AID CHAIN FROM AFRICARE TO CONSUMER

The marketing chain between Africare and the final consumer, whether urban or rural, is relatively short. There are, on average, four or five steps between Africare and the consumer, beginning with the purchase of goods from Africare by a large wholesaler (who is usually also an importer in his or her own right). The overall picture is of a flat, broad based pyramid, with hundreds of small retailers and street traders selling to consumers at the end of the chain.

The relatively short chains are good news in terms of the additional cost added at each stage before reaching consumers. As a rule, the longer the chain, the poorer the final consumer.

1. Bissau

The chain is frequently shorter for Bissau consumers. For bread in Bissau, the variations are as follows:

- Africare - large wholesaler - bakery - consumer
- Africare - large wholesaler - bakery - street-seller - consumer

In some cases bakeries also buy from a smaller wholesaler who gets his supplies from the original Africare client. This does not affect the final street price of the bread, and neither arrangement excludes the possibility of a different chain being followed next time.

Other end users of the flour are small street sellers of cakes and other prepared foods, and consumers who buy flour in small amounts to use at home. In this case, the chain has some additional elements compared with the bread chains above. Similar chains also characterize the passage of vegetable oil from Africare down to the consumer:

- Africare - large wholesaler - small wholesaler - street-vendor- consumer
- Africare - large wholesaler - small wholesaler - stall-holder-consumer

Variations occur when stallholders buy directly from the large wholesaler, or where street vendors buy only enough from a stallholder to be able to make the next day's supply of cakes or whatever they sell.

2. Provinces

The main difference is that a smaller wholesaler is more often included, who will transport the flour to the town where he has a warehouse. From there, the chain to the consumer is as above, but with the substitution usually of an itinerant trader (*djila*) in place of the stallholder.

D. COSTS AND BENEFITS IN THE FOOD AID CHAIN

1. Prices and Disincentive Effects

The marketing chains between Africare and the final consumer, whether urban or rural, do not appear to result in inflated prices due to excessive profits and multiplier effects. One exception may be the step down from rural wholesaler to rural bakery, where the former may make a gross profit per sack of around 23%. This appears to be far higher than that made by the larger wholesaler when he sells to the smaller wholesaler, whether rural or urban, in Bissau (7%-10%). Rural wholesalers have to bear high transport costs, however, while still undercapitalized large Bissau firms are keen to promote cash flow over profit margins. Buying from Africare also saves the large firms money and time costs associated with the import process itself.

The real losers in this chain are the rural bakers, whose profits are negligible, constrained by *de facto* regulation of the bread price (which is PG500 cheaper than in Bissau), from passing on their higher costs to consumers. Nor can they reduce their raw material costs in their present poorly organized and undercapitalized state. None are able to buy directly from wholesalers in Bissau or sustain transport costs, and even if they could, they have no warehousing capable of preserving stocks, especially in the rainy season. Forming bakery associations might be one way of addressing these problems (perhaps with TSRIP support), but this has so far not been either thought of or proposed.

Oil sales are certainly stabilizing the oil price to consumers, especially since shipment in barrels allows small retailers to dispense oil in very small quantities to consumers who bring their own containers (such as beer bottles). This also allows even the poorest households some access to this product. PL480 oil has no disincentive effect on palm oil production, as regional demand is increasing and driving prices up. Local consumption per household of palm oil may be falling, but where vegetable oil does substitute for palm oil in producer households, it is allowing profits from sales of palm oil (which is still increasing in value, especially as an intraregional export) to be maximized, with positive impact on rural household cash incomes.

2. From Africare to Wholesaler

Africare has so far tried two systems to commercialize its imports. The first involved selling to just one or two major importers, on credit, with promises to pay as onward sales were made. This resulted in major problems, with outstanding debts still unpaid. Such a transaction obviously implies large profits for the wholesaler, as recourse to law is unlikely, and even when payment is finally made, inflation will mean that a substantial gain has been made in real terms.

Subsequent monetizations attempted to both spread the net of purchasers, and insisted on either cash payments or staggered payments backed by bank guarantees. In terms of ensuring a much fairer distribution of goods (6 large and several medium traders took part in the last importation in December 1993) and generating the desired funds, this system has worked well, and the price information from those participating in subsequent marketing chains indicates that profit margins are in no way excessive.

Alternative methods are available, which some GOGB and other national groups are advocating:

- recourse to the GOGB 'Adjudication Commission', which currently handles the monetization of other donor food aid and other in-kind support (although a specific system would have to be devised because the present practice whereby the Commission handles the actual sales contravenes Title II regulations);
- a collaborative arrangement with the Bissau Chamber of Commerce which would locate buyers, and act for Africare to secure payment etc. (in return they assert that this would help them to secure more members by offering a useful service to national enterprises).

Both options claim to have the advantage of integrating Africare sales into a wider national system, and maximizing the transparency of the process (which is currently low and leaves the NGO exposed to criticisms by those who do not participate in the process or fail to gain access to PL480 imported goods). Use of Government mechanisms and the placing of generated funds into the National Development Fund or equivalent is also advocated in some quarters, as a way of ensuring that the use of funds follows the priorities established in the Public Investment Program (PIP).

Given the GOGB commitment to a market economy, and the disengagement of the State from direct involvement in economic activities, Africare is, however, free to act independently, provided of course it stays within the terms of its agreement with the GOGB. As for the PIP, the use of monetized funds in Tombali is based upon discussions with Government at the time of the initial agreement between Africare and the GOGB, in which national priorities were fully taken into account. Africare also has a commitment with the US Government to manage the food aid allocated to its program, and is rightly concerned to maintain direct control over generated funds given the history of abuse of counterpart funds in Guinea-Bissau.

Plans to move to a tender auction system which is similar to that operated by the Adjudication Commission should answer the transparency issue, as well as widening private sector involvement in line with the broader USAID TIPS.

In summary, the existing system needs some refinements but is basically an efficient mechanism for converting PL480 into cash resources to use for specific longer term development initiatives. It minimizes bureaucratic and administrative layers between Africare and the consumers, and is cost effective. By matching existing patterns of demand and using existing market channels, it is also getting PL480 down to the poorest consumers in a way which earlier, Government-to-Government Title III assistance did not. By introducing more formal banking procedures and tender auction systems, the monetization is also promoting the development of a more open and competitive commodities market, which reduces the speculative tendencies of the small group of major wholesalers in the country. There is little reason to change the present system beyond refinements and operational modifications as and when circumstances justify it.

3. Intermediaries

a. Traders

Very few traders own their own trucks, and most are seriously undercapitalized. The most successful depend heavily on relationships of trust and personal or family contacts with the large urban wholesalers, who are also the source of a chain of credit which finances the important cashew crop.

Other smaller traders buy small quantities on strictly cash terms with wholesalers. Africare clients sell in bulk and by the sack to market stallholders and others who cook cakes to sell to bars and restaurants or on the street. Prices charged on small deals are higher than for a bulk

order, but again are not that much higher: wholesalers selling in this way are ultimately conditioned by the low purchasing power of most end consumers, and must fit their prices to the reality of extreme poverty which surrounds them. While clearly involving more management time, the sheer number of deals with small petty traders (whose numbers have exploded since the SAP began) does constitute an important cash flow element in their overall business.

Rural wholesalers, especially, bear heavy transport costs, which partly reflect the small (but rapidly growing) vehicle fleet, but are mostly influenced by the impact on vehicles of the very poor roads in most rural areas.

For these links in the chain, the Africare imports play a marginal role in maintaining their turnover, but do not represent an opportunity to make greater profits than through alternative supplies. Many smaller wholesalers go far afield in search of commodities when they are not readily available in Bissau, and in real terms the transport costs involved may not be substantially greater when flour is sourced in Banjul or Bissau.

b. Bakeries

PL480 flour is providing stability to the expanding national bakery industry, and is *relatively* well coordinated with other donated flour shipments, mainly from France (although more active coordination is suggested, perhaps via the office of the Minister of Commerce). Bakery owners clearly prefer "American flour". They maintain that it is easier to use, produces slightly more loaves per bag, and produces a bread that has wider acceptance by consumers.

This industry is a small but important source of employment in an urban environment where underemployment is a serious problem. There are now 16 bakeries in Bissau compared with 9 just two years ago, employing an estimated 400 people. All provincial capitals and some sector towns have at least one bakery (there are at least five in Bafatá), supporting between 2 or 3 people on average.

In Bissau, mean production per sack of flour is around 270 loaves in a large semi-industrial bakery, which uses an average of 30 sacks per day. Loaves are sold on to street sellers at PG2000 each, producing a turnover of about US\$7980⁷ for a six day week. Flour costs (PG210,000 per sack from the wholesaler) are around US\$3500, which represents a profit of 56% before allowing for wages and other running costs.

By comparison, the benefits accruing to rural bakers are minimal. This is due to transport costs which local wholesalers pay to bring the flour from Bissau, and the subsequent high margin when they sell to the baker. Other factors are the low efficiency of rudimentary woodburning ovens, and a lack of storage and bulk buying capacity. Small traditional bakeries in rural towns do not have electric dough mixers and produce denser loaves, the average being about 145 per

⁷ At PG12400/US\$

sack. A small bakery in Quebo starts each day with 1/2 a sack, and makes another 1/2 sack later if demand warrants it. At this rate, they might use 20 sacks per month during normal periods, although this can rise to over 30 per month during Ramadan. The lower figure represents a turnover per month of maybe PG5.8 million, from which are deducted PG5.2 million for flour (purchased from a local wholesaler who buys in Bissau and transports it to Quebo), and PG120,000 for yeast. Add in the cost of fuel wood and the baker will be lucky to break even most months, in a business that is probably only just covering his own basic needs.

These small bakeries mostly sell directly to consumers nearby, but people are increasingly coming from surrounding villages to buy bread. Bakers identify clear and precise constraints which impede an expansion of their activities: wooden implements for reaching into the oven wear out quickly (steel ones are available but are expensive), while most say that having a bicycle would allow them to take bread to the villages, raising both turnover and profitability.

c. Retailers

Flour imports are helping to secure the cash element of household food security for families of women street sellers (*bideiras*) who buy bread at a discount from the bakeries and sell to consumers in the street. Perhaps as many 700 *bideiras* deal with the 16 bakeries now operating in Bissau, earning up to US\$200 monthly from bread sales.

Provincial and sector town bakeries also sell to *bideiras*. In Quebo, with 5 rustic bakeries, there were maybe 10-15 *bideiras* in the market area. Lower rural retail bread prices reflect local purchasing power rather than costs, and the income generated must be very low, especially considering the very low profit margins of the baker himself. Nevertheless this is an important source of cash income in rural households where total income is pieced together from various sources and complements stocks from their own production.

Markets in urban and rural areas, main river crossings and other transport hubs all have numerous food stalls where bread spread with margarine has become a staple item on the menu, adding about 20% to the gross profit on the basic roll. These stalls have become established across the country, where early morning travellers and others eat on their way to work. The proliferation of these small stalls across the country reveals how bread has become the main breakfast staple.

For traders selling oil in small quantities at the end of the distribution chain, profits can be high. The price on the street in Bafatá is around PG15,000 per liter, which is equivalent to PG3 million per barrel. This represents a profit of PG50,000 on the oil itself, and in addition the retailer keeps the barrel which has a current value of PG200,000.

Information on turnover was more difficult to obtain, but it is clear that both the form and content of PL480 oil shipments offer good returns to retailers and allow them to maintain a steady turnover because they can tailor quantities sold to the purchasing power of the buyer.

E. HOUSEHOLD FOOD SECURITY IMPACT OF PRESENT MONETIZATIONS

1. Price Impact

In longer chains which end with very small shops or traders selling to the poorest households, selling price is heavily conditioned by purchasing power as well as the costs of the seller. It is likely, however, that the small quantities sold in each transaction are more expensive per unit weight than in shorter chains. This is not due to additional costs to the seller, but is rather a reflection of the poor areas these traders sell in. The poor cannot afford to buy a kilo of rice for PG5000, but they can maybe afford 200 gms for PG1200 (equivalent to PG6000 per kilo). This phenomenon exists all over the world, and has little to do with food aid per se.

Where food aid is having a positive impact (stemming from its role as a buffer between requirements and only just sufficient nationally produced and imported supplies) is as a stabilizing and sometimes price lowering influence. The implications are obvious for poor households in both urban and rural areas.

PL480 oil stabilizes retail prices more directly than flour, as oil is free from any form of price regulation. Wholesalers clearly state that street price would be higher without it. Unlike other imported oil, which comes in prepacked plastic liter bottles, PL480 oil is also ideally suited to supplying the poorest households, who buy in small quantities from retailers who will buy a barrel from a wholesaler and dispense the oil in small containers which consumers bring with them (such as empty 1/3 liter beer bottles). In Bafatá, for example, a 1/3 liter bottle retails at the equivalent of PG15,000 per liter, compared with PG18,000 for other imported oil.

2. Dietary Impact

PL480 wheat flour is making an important additional contribution to household energy consumption. This is especially so in Bissau and the main Provincial towns, but bread consumption is also spreading rapidly in rural areas and villages.

In rural areas, however, rising bread consumption may be displacing sorghum and millet, which are often used to make porridges for small children during weaning. Government nutritionists are concerned that the bread produced is low in protein and other nutrients, with negative consequences on dietary quality. They also point out that small children may be receiving fewer calories than before, if their special meals are replaced by a roll divided and shared with older siblings who will invariably get the bigger pieces. This is an area that warrants further investigation, although the increase in bread consumption is happening independently of any Africare flour imports.

The impact of oil is less clear, but its consumption is increasing according to traders. In this case, the price stabilizing and lowering impacts of PL480 supplies are probably making a positive contribution to overall energy consumption. Vegetable oil is also unlikely to substitute for the richer palm oil produced locally, as each is used for specific types of dish.

Anecdotal evidence suggests that traditional dishes made with palm oil are consumed less frequently than before. In middle class households this is probably due more to preparation time than cost. In poor urban households, the rising cost of palm oil may be reducing another older custom, where palm oil is used to add flavor and compensate for the frequent lack of meat or fish in the daily rice meal. The nutritional implications of this change are unclear.

3. Women's Working Time

While rising bread and oil consumption may be having some negative impact on the quality of the diet, there is little doubt that it is not just a price response, but that women in both town and country are turning to them because their use makes their lives easier.

The working lives of women in Guinea-Bissau are if anything getting more demanding. Urban men are underemployed or out of work, and even those with public sector jobs are earning so little (when they *are* paid) that their families are dependent on other sources of income to make ends meet. There is also a high proportion of women-headed households (estimated at around 25% and rising), many with several children to support, often with different fathers.

Even households where both parents are present are stretched as traditional social organization responds to rapid urbanization and rural poverty. Many households in Bissau grow far more rapidly than their natural developmental cycle would dictate, as they take in nieces and nephews from areas where there are no schools. With shrinking wages and rising prices, many experience the difficulties of the early family development cycle even more acutely.

In this situation, it is logical that women will seek to reduce costs, and also the labor and time needed to cook for and feed the household. The two commodities imported by Africare match this need well:

- bread avoids the need to prepare cooked foods in the morning, thus saving on both time and the cost of charcoal or firewood
- preparing (milling and grinding) sorghum and millet is very demanding in labor and time, and only very limited amounts of the more costly machine processed product are available
- the time impact of vegetable oil is less evident, but its use does reduce the labor and time needed to prepare groundnut or other local oils which might otherwise be used

The general convenience of both foods might also have an impact on children, as women have more time and 'disposable' energy to care for them, thus addressing an important but less obvious factor in the overall food security picture.

4. Income Generation

The labor and time savings associated with bread and vegetable oil are probably having an impact on the capacity of women to work outside the home, or are allowing them to spend more time working in the fields or processing other foods that can then be sold. In this case there is probably a positive income impact, though there is as yet no data to quantify this.

Vegetable oil used in the home can substitute for some traditional oils, and maximize the income return from labor spent processing these products, by allowing all the oil produced to be sold (for which there is steadily increasing demand and rising prices, especially in Senegal). Time savings from using bread also give more time for work in vegetable gardens, commerce, or other new activities (including training, and Association promoted activities such as bookkeeping and basic management of resources and stocks).

5. Fuel Costs and Environmental Impact

Bread consumption must be keeping household fuel bills down, as it substitutes for cooked morning meals. Apart from the obvious implications for food security, the subsequent impact on overall wood and charcoal consumption is also has implications for related pressures on rural forest resources. Charcoal production is rapidly becoming an important income source for hundreds of rural households, however, who sell directly or through traders to already largely deforested Senegal. While the growth in this trade must outweigh any compensatory impact bread consumption may have on demand, any factor with even a limited compensatory effect on use of existing forest reserves is important. In the short term it might allow a little more time for new conservation policies to have some effect, and in the longer term, if these policies are then successful, it can make a limited but significant contribution to retaining forest cover and stemming the accompanying decline in soil fertility and long term rainfall.

6. Public Services: Health, Hygiene and Education

The monetization program has a very limited impact on this important aspect of food security. The effects listed above should reduce the extent to which malnutrition contributes to IMR and other problems, allowing health resources to be focused more fully on preventative measures. The time impact should, in theory, also help women to give more time to their children, improve their homes, and attend health centers where nutritional education is carried out.

7. Efficiency: Hitting the Target

A final, and important, overall conclusion is that the present monetization is reaching its target population. This represents a major improvement over the extensive food aid programs of the 1980s, where major losses and 'diversions' were commonplace. While some commodities are undoubtedly being reexported, tracking the 'food aid chain' down through traders and bakeries to the consumer reveals that PL480 food is reaching households that were never touched by the shipments of food which, in pre-SAP days, were delivered direct to the GOGB for distribution.

The monetization compares very favorably with WFP food, for example, which is not monetized and is still subject to considerable losses as it passes through the system on its way, in principle, to supporting nutritional rehabilitation, health facility and school feeding projects. To underline the point, PL480 food donated to Guinea-Bissau through WFP channels and thus subject to a prohibition on retail sale, is evident in the main markets of the country.

Direct management by Africare of port-to-warehouse distribution is minimizing losses to an extraordinary extent compared with other types of food aid program (less than 1% for the last importation in December 1993). Direct control over the funds generated also minimizes losses, if only by reducing the bureaucratic links between Africare and the end beneficiary and increasing the 'cents per dollar' efficiency of the external assistance provided.

This outcome is certainly a credit to the Africare staff. It is also important, however, to place it in the wider context of reforms and real improvements that have come about as the result of political and economic changes in the country since the late 1980s. The simple fact that there is now a free market allows monetization to work today in a way which was quite impossible as recently as three years ago.

That oil reaches down to rural households owes much to the fact that it is now legal to trade, and that small traders and big traders are linked together in chains which, though they *may* be exploitative, are interdependent. Both depend upon the other, and both depend the capacity of the small trader to reach deep down to get their products to the widest possible market. This is the penultimate guarantee of effectiveness.

The ultimate guarantee is that this phenomenon is reproduced and maintained *on a regional basis*, which, in fact, is happening, and is another radical change from earlier years. This dampens down pressures to take the commodity and run with it over the border, and reinforces the logic of trade based on selling to consumers, rather than speculation disguised as trade.

Where reexports do occur, the recent cross border trade study (Ribeiro & Miranda 1993) reveals how Guinea-Bissau is now able to participate on an increasingly equal basis in the regional economy, which in turn is also undergoing similar changes as neighboring government adopt market oriented policies and disengage from direct intervention in their economies. This allows cross border exports to have an important counterbalancing effect: a roughly equal amount of imports are coming in, including foods which are in demand (such as sugar) but which are not supplied through food aid programs (apart from health and education project support from WFP).

Lastly, if exports are needed to capitalise national wholesalers, this too must be seen as having a positive long term impact on national food security. Ultimately, after PL480, they are the ones who will have to carry on buying in the cereals and other goods that will still be needed to supply bakeries, and to fill whatever gap still remains between national production and requirements.

In this wider context, the PL480 monetization is, therefore, also making a small but significant contribution to the progressive 'commercializing' of commerce and the privatization of, and disengagement by Government from, the economy. The danger now is that an anarchic free market, where major actors have beneficial access to credit and other resources, might undo the benefits so far achieved.

CHAPTER IV
THE FOOD SECURITY IMPACT OF THE TOMBALI SMALL RURAL
INITIATIVES PROJECT (TSRIP)

A. BACKGROUND

Earlier evaluations provide ample record of the history of this project and how it has evolved to its present state. The main points as they affect this evaluation are as follows:

1. Staff, Facilities, and Coverage

- the TSRIP presently covers 39 Associations in a total of 18 villages (*tabancas*);
- the TSRIP has two full time staff resident in Tombali (Cacine), both of whom are nationals of Guinea-Bissau:
 - the Project Coordinator, who is a fully qualified agronomist, is responsible for the management of the project as a whole but also has specific credit responsibilities (he was Credit Officer for the National Institute for Non-Governmental Organization Coordination (*Instituto Nacional de Coordenacao da Ajuda Nao-Governmental (SOLIDAMI)*) when Africare had its trial arrangement with that organization);
 - the Training Coordinator, who has attended several higher-level courses in informal and formal training techniques in several overseas institutes (including the ILO Centre in Turin, and Cuba) oversees training of the village-level trainers (*formadores*) and supervises their activities;
 - both officers also participate in village-level work alongside the trainers, and bring their particular professional expertise to bear as and when appropriate;
- Association activities vary considerably, and include the following:
 - vegetable production (*horticultura*)
 - fruit production (*fruticultura*)
 - artisanal fishing (both open sea and coastal inlets)
 - village-level trading (bringing in consumer goods)
 - soap manufacture
 - installation and operation of rice-husking machines
 - artisanal manufacture of bamboo furniture
- 14 trainers (one woman) have so far been selected and trained in the underlying philosophy and methodology of the Project, and posted to work with the various Associations (8 trainers in Cacine, 6 in Quebo);

- the Project has so far established two Centers which are the institutional base for village-level activities in each sector: Cacine (Quitafine Sector) and Quebo (Quebo Sector);
- another Center is soon to be opened in Cabedu, Cabucare Sector, and a group of 8 trainers has already been selected.

2. Operational Status

- a Seminar to discuss legalization (a key element in the future credit program) took place in October 1993, and resulted in strong local government participation to create a Committee for Legalization which would allow the process to be done locally instead of going to Bissau;
- trainers are working well in their villages, where the policy of insisting they live in the village has helped them achieve a high level of rapport with the Associations;
- the TSRIP has achieved a solid foundation for future activities, and clearly has the confidence of both local government officials and villagers;
- this good work is now in jeopardy as major problems are developing:
 - the legalization process is stalled, due to lack of appropriate equipment, and funds to support the activities of the Committee have not yet reached the TSRIP from Bissau;
 - the new centre in Cabedu is also behind schedule;
 - the trainers selected for the Cabedu Centre have not yet been formally inducted into Africare, are without contracts or salaries, and their training (which cannot begin until they are contracted) is behind schedule;
- *sina tchiu, dinero ka tem* ("training, training, but where's the money?"): these problems are beginning to have a negative impact on the confidence of Association members in Africare, with some saying that they have had a lot of training, but are still not seeing anything of concrete use to them;
- TSRIP trainers are clearly going to be increasingly compromised if this continues, with implications for their confidence in Africare and commitment to what is a difficult and demanding job;
- the failure to deliver is exacerbating tensions between Africare, other NGOs, and some GOGB officials, who are aware that Africare is generating large local currency funds (which they have no access to), yet is apparently not using them.

B. FACTORS DETERMINING FOOD SECURITY IN TOMBALI

1. Production

The basic foundation for food security in the region is, of course, agriculture, with rice, sorghum and millet cultivated on family plots underpinning the subsistence strategies of all households (whether or not they have ties to an Association). The agricultural base offers a far more diverse basis for food security than is usually indicated by prevailing views amongst some policy makers and official circles that everything revolves around rice production.

This diversity, and the way in which it is exploited for home consumption and trade, is emphasized in the recent report on Cross-Border trade (Ribeiro and Miranda 1993). This diversity predates project activities and earlier Association activities, and was already an important element of household production and subsistence in the pre-Independence period.

Since Independence many less known products have become undervalued, and farmers receive derisory sums from itinerant traders (*djilas*) for products which sell for far higher prices in distant markets. This devaluing of local activities in general reflects the lack of official recognition of their importance. They are never formally recorded by the GOGB and have received very little technical assistance and investment input compared with officially favored crops such as rice, cashew, and now tropical fruits.

Yet while rice may be the principal staple produced, and cashew has provided rising cash incomes in recent years, the range of other crops and activities play a critical role in food security in several respects:

- certain crops, such as sorghum and millet, are used to prepare special porridges for children;
- these same crops mature at different times of the year and are thus available at periods when rice may not yet have been harvested, or after rice stocks have been used up;
- pumpkins, manioc, sweet potato, cola nuts, beans, groundnuts, palm nuts, all form part of the overall production system and have been important tradeable products since before Independence;
- the transformation of local products into products with a higher value added, notably the production of palm oil, has long been an important market-oriented strategy to get people through the hungry season;
- the region has long been integrated into regional markets, notably Senegal and Guinea Conakry, and this trade has historically been an essential part of the overall subsistence strategy of all the communities in the region;

- *all* crops produced, including rice and the other cereals, are sold, in lesser or greater amounts, at different times, to secure cash income for essential consumer items or emergencies;
- sales of produce (raw and transformed) generate cash income which is used either to buy in non-produced food goods (sugar, for example), or to invest in improved living conditions and consumer goods (notably zinc roofing, radios, bicycles, and clothing).

2. Employment

a. Cacine Centre

The sector capital of Cacine offers limited employment to staff of the Sectoral Delegates of Government departments, and there is a Custom Post in the town. The local sectoral hospital has a small staff including two professionals, offering very limited possibilities for local service staff. Guiné Telecom has a modern telecommunications link with Bissau which employs one full time person, as does the non-operational Post Office (in which the telephone point is located).

Outside the public sector, employment opportunities are rare in the region around Cacine. Non-agricultural employment is non-existent, save for a few public sector posts related to the Customs Service, which, in common with all such posts, are very poorly and irregularly paid. In some larger villages which are Section towns, there are additional activities such as a Video Club, but these do not employ people beyond the family of the owner.

There is little evidence either of temporary or seasonal migrant labor offering short term alternatives or supplements to local farm production, as is the case, for example, in the northern regions which border Senegal. There are few *pontas* in the area as yet, at least in any operational sense, which reflects the very poor road links to the rest of the country.

b. Quebo

The situation in Quebo itself is quite different, with its good access via the newly paved Bambadinka to Buba highway. The market is active and, though small, has grown rapidly in the last few years as the economy in general has opened up. Work on the new road offered some employment to men in the area until it was completed in 1992. There has been considerable out-migration to Bissau, but it was difficult in the time available to establish the importance to household budgets of remittances or temporary work in the city.

Data collected by a TSRIP trainer from Quebo town itself suggests that because of the new commercial and market gardening activities, the latter in an Association supported by TSRIP, the population has ceased to be so dependent on the larger cities, at least in respect of these activities.

Limited local employment is generated by a range of rudimentary service sector activities, which are all privately owned and use only one or two additional staff who are most likely related. There are four TV-Video Clubs, which charge PG1500 entry for a typical night of direct transmission football or a video; a Discotheque which operates every night; and five rustic bakeries.

Local public sector delegations for the main ministries employ several staff, but public sector pay is extremely low and unreliable: all depend upon other sources of income to survive. The local Sector Hospital provides several public sector posts, and there is one primary school: both suffer the same problem, even for their professional staff. The military garrison in the town provides a market for bread from local bakeries, and irregular service sector activities - cleaning, cooking, washing etc. - for a limited number of people. Guinea Telecom has a modern telecommunications installation which employs one person full time.

Several *pontas* have recently been established in the region, in a direct response to the new road being opened. These have not yet reached anything like a level of production that would generate alternative, or supplementary, seasonal employment for villages in the region. Experience elsewhere shows that these farms rarely employ more than a handful of full time people, and these are normally related to the *ponteiro*. They do, however, offer seasonal work for local villages, which may become important in the overall mix of activities underpinning food security for local households.

3. Market Access and Costs

Market access has been improved dramatically by the opening of the new paved road between Bambadinka and Buba, just southwest of Quebo. The new road has halved journey times between Bissau and Quebo, and taken at least two hours off the old six hour minimum journey to Cacine.

More important even than access to Bissau, the region now has relatively easy access to important regional commercial centers such as Gabú in the east of the country, from where local products are exported to and from Senegal and Guinea Conakry. Trading activities in Gabú have grown dramatically since the SAP was introduced, and the town is also an important route for imported food products and consumers goods which can now reach deep into Tombalí with far greater ease.

The old road to Buba was tortuous and extremely uneven. In the rainy season it was passable only in four wheel drive vehicles, and all through the year exacted a heavy toll on all road transport. In food security terms, the ease of access during the wet season provided by the new road is an important guarantee of food supplies getting into the region, at a time when local supplies are very low.

Nevertheless, transport and market access remain a severe constraint on more distant local communities. Not one village where a TSRIP-assisted Association is based has a vehicle owned

by somebody in the village. Even donkey carts are non-existent, denying villages what has become an important income enhancing link for villages in other regions. Bicycles are the great salvation for personal transport, and are an important means of communicating with traders who come to Quebo or Cacine but will only go to villages when they know there is a crop to pick up. Yet this does not break the dependence on external transport for getting crops to market, at high cost to the villages and the Associations.

Even around Quebo, many TSRIP assisted villages are far from the main highway, and rarely see vehicles on a regular basis. Once out of Quebo, Cacine is only reached down a long and very poor road, a journey of at least two hours even in a lighter project vehicle. While the volume of commercial traffic down this road has increased markedly in the last two years, it is still insufficient to meet the demand for trade and passenger transport, and represents a usually fatal obstacle in cases of medical emergency which need to be sent to Bissau.

Those traders who do make the effort to buy produce at the 'village gate' reap the reward of being able to state their price, and farmers have little choice but to accept very low prices for their crops and processed goods. This is not entirely due to exploitative practices - it is thanks to these traders that the farmers have a market at all and have been able to get some advantage out of the explosion in trading activities since the SAP and its associated reforms began.

Moreover, these traders bear heavy vehicle costs in spares and fuel, as they negotiate ridges and potholes in low gear, carrying huge loads which punish springs and tires. More competition would reduce costs, but infrastructural work giving communities decent access to the local and regional markets is the key, for good roads will attract more traders by reducing risks and costs.

4. Public Services: Health, Hygiene and Education

Important underlying causes of poor food security are poor health (short term impacts on absorption of available food) and education (long term impacts on learning skills and dealing more effectively with the outside world).

Basic-level health facilities (*saude de base*) in the region are now improving due to the expansion into Tombali of a UNICEF-supported cost-recovery and primary health care project initiated in Gabú Region several years ago. This builds upon a traditional practice whereby each household in a village pays the *abota*, a small monthly contribution to the health post fund, which is then used to purchase medicines and pay for treatments in higher level facilities when necessary. Drugs are subsidized. The system has worked well in Gabú with significant proportions of local currency running costs also being borne by communities.

Health facilities are nevertheless far from ideal, and even the new scheme has a long way to go before it begins to make an impact on child and maternal deaths due to malaria, infections and complications during pregnancy. From the point of view of this evaluation, the model is extremely interesting for two reasons. Firstly, it underlines the point that where interventions are needed which have a community-wide impact, local communities can and do respond. The

essential ingredient is confidence in the State or other external agent to deliver what *they* promise (in this case, a reformed drugs supply system which promises to have the drugs available when the health agent goes with the *abota* fund to buy them).

Secondly, there is a pressing need for nutrition education, identified by the Department of Nutrition as a major factor in child malnutrition. While food is scarce, lack of knowledge about how to use what is available more effectively is reducing the food security impact of whatever income improvements are coming through. Lack of knowledge about appropriate responses to very basic illnesses such as diarrhoea also drastically affects the nutritional status of children already surviving at the margins of acceptable or adequate nutrition, and very often leads to an easily avoidable infant death.

The improvement in basic health services, if it incorporated improved nutrition education, could reinforce TSRIP food security enhancing activities, and indirectly contribute to surplus creation in the longer term by reducing household food losses and other costs, as well as avoiding the long term economic cost of losing a future productive household or Association member.

The *abota* model points to ways in which other important 'public' (community) services can perhaps be addressed, which have both a food security impact, and can facilitate a more effective use of TSRIP support to the Associations. Poor access roads are one example. Installing or repairing water points and wells is another.

A similar approach may also be appropriate for education. Every village visited emphasized the importance it attaches to education, and lamented the fact that there was no school or teacher in their community. Even in Cacine town, the school is in a deplorable state, and the 'temporary' second classroom is basically a larger version of traditional house, also in disrepair and totally inadequate for teaching. Pedagogical materials of all types are non-existent in most villages, although the Cacine school does have a supply of new books (which cannot realistically be used given the conditions in which they would be used).

Quebo town is slightly better off, reflecting its closer position to Bissau, but there is no school provision in surrounding areas. Fortunately Tombali Region has a large Islamic population, and the Islamic *marabo* schools are managing to teach Islamic children at least some basic skills, and many are in fact literate in Arabic. A new Government initiative to try and include some basic primary curriculum material in these schools has support from the main Islamic NGOs in the country, and promises to redress the balance a little.

Nevertheless, this does not cater to the many non-Islamic children, and does not address the pressing need for functional literacy training for adults, especially women. Some TSRIP trainers are already helping a little in this respect, as part of the training in basic bookkeeping and administration which they are implementing through the project. Indeed the new focus on these skills provided by the project, and the generally more propitious wider socio-economic environment, is stimulating an interest in literacy amongst women in particular that was not evident several years ago.

Given the important contribution education can make to long term food security, the TSRIP should look at ways of securing an educational accompaniment to its activities.

C. THE FOOD SECURITY IMPACT OF THE TSRIP

It is clear that communities in both Cachine and Quebo sectors survive through a wide range of complementary activities which come 'on line' at different times during the year. Most of these activities have increased dramatically simply through the reforms introduced under the SAP, but with particular emphasis on trading local products.

Farmers and other small producers have far easier access to national and regional markets, and marketed production has risen as certain commodities - such as palm oil and dried fish - have risen rapidly in value, making more readily available consumer goods and imported food goods more affordable. While legal trading has increased, thriving clandestine and cross-border markets (*lumos*) still provide important outlets for local produce, sold for Guinean francs, CFA, and even gold dust to visiting foreign merchants.

Exports via sea routes are grossly underestimated in official quarters. More importantly, the volume of rice exports is far larger than estimated. Large (30 meter) Nhominka canoes come into small inlet ports, to exchange consumer goods for local products and rice, or to buy them with CFA, Guinean francs and even gold dust. Local rice is also exchanged for dried fish brought directly into the river ports by foreign fishermen who leave with boatloads of rice.

It is apparent that income diversification and a capacity to respond to the new market opportunities (particularly horticulture) have been extended and deepened by Association activities. This is a clear positive impact on food security, providing alternative income sources which can buy food to reduce the impact of the hungry season when rice and other staples run out.

Dietary quality has also improved slightly as vegetable production, in particular, has risen. Producers of new and older market-oriented crops are reluctant to consume too much at home, however, mindful of the need to maximize cash income in a situation where most households are still surviving at the margin, with income from all sources barely covering basic needs.

These observations support a broad conclusion that food security in the region has improved in the last three years. This is not to say that nutritional status is improving, or that the children of these communities are any healthier, but rather to focus more on the 'security' of access to a barely adequate level of household food supply, which is still counterbalanced by a host of environmental factors such as poor water supplies, heavy workload for women, and no access to schools.

Indeed the little data available point to a deteriorating situation in terms of nutrition: for the whole of 1993, data on low birthweight children born in the regional health facilities show 18.75% of infants under weight (<2500 gms) at birth. The data *suggest* a changing pattern over

the year, with a sudden improvement to 7.9% in the last quarter (when there will be good food stocks in most households). The decline from 20.4% in the third quarter is very large, however, and implies that there are major data problems behind this figure. Nevertheless, it is worth taking note of for later monitoring work.

Whether the improved food *security* is due to the TSRIP is another matter. Many TSRIP-assisted Associations actually predate the project, and their activities were well established when Africare conducted its initial survey. Indeed the project appears to have begun life by working with existing groups, which is the cause of some friction between Africare and other, national NGOs also seeking to work in the area, and which have strong links to previous GOGB programs which established these Associations.

Other TSRIP-assisted Associations have only been actively supported for a matter of months. Taking all these factors into account, it is difficult to attribute the observable improvements in the food security of TSRIP-assisted households to project activities to date.

1. The Impact of Specific TSRIP Activities

a. Training

The training component of the TSRIP is providing an important foundation for the future food security orientation of the project, but has not in itself had any direct food security effect as yet. Associations are benefiting from training in basic accounting, stock control, organization, and management, and in some cases, functional literacy classes.

These are all essential first steps along the road to a more sustainable improvement in food security which will also permit surplus creation and reinvestment in a better future for Association members.

b. Credit

The credit component raises many questions. Firstly, very little of the approximately US\$900,000 so far generated by the monetizations has been disbursed. Perhaps this is as well, for the experience to date has shown that not enough training has been given to the village trainers in this respect.

In one of the two cases of credit so far granted, project-assisted activities would actually have seriously compromised the *existing* food security of the Associations and their families, if they had been initiated in a more demanding commercial and financial environment. The Fishing Association in Cassumba, Cacine, was granted a single large loan of US\$22,000 credit. It is clear that a quite unrealistic assessment of the ability of Association members to repay lay behind this decision. Payment is now seriously overdue, with only one \$2,000 payment made and just 12 months of the original 18 months left to run.

Repayment problems are also apparent in the other Association which received a loan, the Women's Soap Making Association in Daruda. The Acting Project Coordinator is confident they will pay, believing (probably correctly in the light of other experiences in Guinea-Bissau) that women are more reliable than men. His view, even if proved right, betrays a lack of understanding of the basic principles which should underpin *sustainable* credit activities.

Similar problems are evident in new proposals, all of which must be carefully reassessed before decisions are made. Proposals must also be placed in the wider context: imported buckets are now making Saltinho Blacksmith Association buckets uncompetitive - perhaps they should be trained to develop a repair role. Another good example is the Soap Making Association in Daruda, which soon realized that they could not compete with imported soap either: the project had been conceived before the new Buba road was opened, and made no allowance for its likely impact.

It should be stressed that these problems do not represent a personal failing on the part of TSRIP staff. In every other respect the Acting Project Coordinator is performing extremely well, and the other staff are, for the most part, conscientious and committed.

What these experiences do indicate is the need for substantial upgrading for all TSRIP trainers in their knowledge of credit systems, and how to implement and supervise them. On the positive side, these experiences can be used as future teaching examples of how *not* to give credit. In general terms, the major problems identified, which should form the kernel of a training session on 'analysis of past experience', are as follows:

- proposals are assessed only in terms of their return to capital, and do not take into account the present or planned income of the applicants and therefore their ability to repay;
- proposals do not address constraints and ways of improving existing activities modestly and gradually, but instead are based on 'mini-projects' which invariably necessitate loans which are far too large for Associations to realistically handle;
- repayment schedules are not worked out in any methodical manner, with repayment apparently allowed on an *ad hoc* basis, the only stipulation being that loans should be paid up by the end of the agreed period;
- loan structure and repayments are presented in too complicated a fashion, with separate columns and amounts for capital and interest;
- there are no formal contractual agreements linking Association members and outlining mutual obligations in the case of defaults, members joining or leaving, or the winding up of the Association.

It is also essential not to lose sight of the fact the Associations have strong ties to their local communities. Many are, in fact, traditional or already active mutual work groups, which have decided to become 'Associations' as a natural response to external pressure and the chance to join a project and gain (often free) access to resources.

Set in their social context, however, it is possible to see the possible pitfalls that can befall an Association and strip it of its reserves. For example, the Fishermen with the big unpaid loan had in fact saved up a decent small fund. Late in 1993, their village had a severe food shortage, and the elders and their families used the whole fund to buy rice. 'Shortages' can often mask other sudden needs, such as ceremonies or funerals, which traditionally absorb large quantities of available food and other resources.

Proposals must take these facts into account. The TSRIP or bank staff would have had a hard time justifying the food security impact of a decision to force the Fishermen to make a loan repayment instead of supporting their families, when the real problem lies in the initial decision to make such a large loan.

CHAPTER V CONCLUSIONS AND RECOMMENDATIONS

A. FOOD SECURITY SITUATION AND ISSUES

Guinea-Bissau has very high under-five malnutrition rate of 250 per 1000 live births, and a low birthweight rate of 18%, which indicates serious malnutrition among women. Malnutrition contributes to these statistics, but is not in itself a major cause of child mortality and maternal health problems. These are instead mostly related to poor healthcare and sanitation, with malaria and dehydration due to diarrhoeal disease being the major causes of death. In this context, poor environmental health conditions are frequently important aspects of the food security picture for many households.

Underlying socio-economic processes are more important determinants of food security in the longer term. These include:

- a high population growth rate (2.6%) which, in spite of the notable rural exodus and urbanization now underway, is resulting in a growing rural population in absolute terms;
- climatic change (a declining rainfall trend);
- land enclosures by external (non-village) interests;
- urban growth without accompanying increases in employment opportunities;
- price inflation related to structural adjustment reforms;
- an increasing workload for women as men leave to find work (in both rural and urban households).

The net effect of these processes is an intensification of agriculture on a diminishing resource base, with clear implications for rural household food security over the longer term as yields and farm based incomes decline. The same processes will reduce marketed national production in support of growing urban populations now dependent upon purchased food supplies, which will increasingly have to be provided by imported commodities.

Yet Guinea-Bissau is still a fertile country with the resources it needs to feed its population. The food security issue therefore hinges around ensuring that poor households gain adequate access to basic foods through market and other direct distribution mechanisms, while initiating measures to counter the negative effects of agricultural intensification (raising yields and labor productivity) and supporting measures to improve land use and natural resource management. These points form the framework within which the evaluation is set.

B. FOOD SECURITY IMPACT OF THE PROGRAM

The most important single conclusion is that monetization is achieving a double impact: getting food down to the target population more effectively than other mechanisms, and generating funds for (potentially) food security enhancing activities at local level (which will contribute towards ending the need for food aid over the longer term).

The monetization component itself is having positive supply and price stabilizing impacts for the two commodities it supports: wheat flour (bread) and vegetable oil. PL480 inputs to supplies of both commodities are reaching down to many of the poorest or most distant households in the country, at very low cost to either the State or Africare, by providing goods which suit existing commercial distribution systems (themselves conditioned by the market they serve).

Disincentive effects and negative dietary impact are probably minimal, and may be outweighed by the contribution which the two commodities being shipped could make to savings in household energy expenditure, food preparation time, and fuel bills (of special relevance for women, who are freed to either care for their children or engage in productive activities).

The TSRIP cannot yet take any credit for the evident improvement in food security in the Tombali region. This is due largely to the 'enabling environment' impact of structural adjustment reforms, the opening of a major regional highway, and a rapidly reemerging and growing inter-regional market for a wide range of non-cereal products which are essential for guaranteeing food security and supporting a surplus generating capacity.

The project has, however, established an excellent base for activities which can substantially reinforce the food security of Associations and the villages in which they live. This is the result of the sound work to date of its Coordinators and trainers.

C. DISCUSSION

While food security may have improved, surpluses for investment are minimal, and basic living conditions remain difficult and present an underlying environmental health threat to food security. It is evident that villages have reached a plateau in their response to new market opportunities, and require credit resources and new skills to be able to proceed further and thus make more advances in food security and improve their overall quality of life.

It is also clear that important elements of the subsistence and production strategies of the communities in Tombali is overlooked by official statistics and considerations of what constitutes food security in the region. The result is that many important activities are neglected which could, with technical and material support, become more productive, instead of focusing attention on measures to introduce new activities which may not be appropriate, both in terms of local skills and needs, and in the wider context of socio-economic evolution in Guinea-Bissau.

Trading and marketing *are* a fundamental part of the livelihood strategy of villagers in the region. In terms of local food security, measures which succeed in raising the value of these transactions to local people will do more for food security than any other input. Markets and market access already exist. Activities should focus on raising farmgate prices and increasing added value through new or improved transformation techniques, improved roads, and better information services.

This overall view of how rural society exists in Tombali should condition how the TSRIP views the role and potential of the Associations it supports. The TSRIP, in fact, has a fundamental strength in its basic approach to the question of how to support the Associations, which is its strong personal presence in the shape of trainers who are well educated and actually live close to the communities they are trying to help.

The trainers are aware that the Associations and the communities they represent need resources to evolve and grow. Using the techniques they have acquired during the training on food security, they have also been provided with a conceptual framework which allows them to assess the overall situation of the villages in which they work, identify constraints and needs, and establish how the Associations fit into, and are conditioned by social and other ties with, their local communities.

On the basis of this assessment, and bearing in mind the comments made at the beginning of this chapter, the TSRIP and its trainers are well placed to assess present activities, and help Associations either change their focus altogether (to develop an activity which is more in line with existing skills and which could be more profitable), or improve what they are presently doing. In particular project activities should focus on several aspects:

- raising productivity of *existing* activities which already form the food security strategy of the community and its composite households;
- only take on new activities after careful consideration of their viability and long term future (soap making is the best example of what not to support, for example);
- examine the impact that Association activities will have on existing food or income producing activities at household level:
 - will activities strengthen or weaken other household strategies?
 - will Association activities provide income to fill gaps in household farming and trading income
 - are they intended to be an alternative activity, and if so, what will be the impact on labor obligations and commitments to family farm and other household activities?
- finally, are activities realistic, what local resources are available, what are the main constraints for improving *what people do already*, and is the Association solving these

constraints or failing to address them altogether because it focuses attention on other, new activities?

For example, the best strategy a village or Association might consider is improving local access to transport routes and regional market systems, instead of taking out a large loan to get involved directly in high risk regional trading activities. The rise in competition for their products from traders, now less concerned about high vehicle costs, will raise farmgate prices and bring more goods in at cheaper prices.

If the TSRIP fulfills its potential, some Associations may become larger enterprises capable of dealing at higher levels of the market. Indeed several of them already take their products directly to Senegal. They do not gain by selling to major wholesalers, however, but benefit mainly because the prevailing market price is much higher than in Guinea-Bissau, even selling directly in the market to consumers or market traders.

Assessing their potential now as if they were already (or should be) members of the Bissau Chamber of Commerce will simply marginalize them, and may even threaten existing food security strategies by burdening them with unaffordable credit and time consuming additional responsibilities and objectives.

The guiding principle is 'be realistic, identify activities which build on existing strengths (however minimal these may be), and plan to unblock constraints, not implement mini-projects'. Go for small loans first, to unblock a constraint or raise productivity (new hammers and saws for the Bamboo Furniture Association, for example), make those work, then try another loan for the next major constraint identified, and so on.

To set the process moving, Associations need resources now. Without resources and skills they will remain at the mercy of better endowed external interests, national and regional, which are presently profiting from their lack of power, skills and organization. To get access to resources they must be legalized. Not only does this give them access to credit, it also gives them some recourse to law (assuming TIPS supported measures to reform the judiciary and courts are successful). Moving ahead quickly with the stalled legalization process is essential to boost flagging Association confidence in the TSRIP, and lay the foundations for the major contribution the TSRIP can make in the period to 1998: the Rural Credit Scheme.

The recommendations of earlier evaluations are, therefore, endorsed from the longer term food security perspective, provided certain modifications and improvements are made to the present program. These changes should:

- ensure that the conceptual framework provided by the food security analysis is understood and being used by trainers to order and prioritize their own inputs, and those of the communities with which they work;

- permit more realistic expectations of communities and associations in relation to the proposed credit component, with more realistic assessments of both the amounts needed and the repayment capacity of association members;
- avoid trying to fund 'mini-projects', but, instead, use credit to focus on unblocking specific constraints or improving key activities, by applying very small sums which require modest repayments;
- get resources out to the Associations: many feel they have had enough training; they are impatient for concrete assistance to help them with their problems;
- attend to delays in implementing key program activities (notably legalization of associations) which are blocking progress to the credit stage and undermining the confidence which the Associations have in Africare;
- give trainers more training in how credit functions in a market economy, and equip them with the knowledge and tools needed to assess the viability of loan proposals;
- maintain the focus on Associations, but avoid the present exclusive nature of this activity, which overlooks the important links with the surrounding village social and economic milieu and can result in other, perhaps more important or productive interventions being overlooked;
- provide in-service training to trainers and project coordinators to help them think more imaginatively about available options in any given village context, and place local level activities today in a longer term, market oriented framework conditioned by socio-economic processes in the national and regional economy;
- improve communication between the program and other donors, national NGOs, and GOGB departments working on similar issues, to foster more trust and raise Africare's participation in wider efforts to create a viable national rural credit and extension system.

D. THE RURAL CREDIT SCHEME

The TSRIP Credit Scheme will play a central role in unblocking constraints and helping Associations (and their respective communities) to maximize the returns to existing activities and use of available resources.

Training TSRIP staff in credit systems, is essential. Training should start with first principles, upgrading basic understanding of what credit is, how money can be seen as a commodity to be invested, how apparently high commercial interest is in fact cheaper (and safer in a legally regulated world) than traditional options where the real interest rate is never seen or conceptualized as such.

A small scale rural credit specialist should be contracted on a consultancy basis, to make at least two visits in order to a) carry out the training; b) help devise an appropriate credit scheme; and b) supervise and upgrade the scheme once it is in operation.

A useful Credit Scheme has in fact been drafted by the Acting Project Coordinator, which could form the basis for a suitable system. The need for some changes, however, is immediately apparent. These include:

- a positive interest rate (with respect to inflation, not the exchange rate) must be charged, otherwise the habit of using credit and appreciating that money is a commodity to facilitate activities (not a fund to speculate with) will not be established;
- resolution of disputes should first go to the community leaders (*Homens Grandes*), who should be brought into TSRIP process in this way from the beginning (following the example given in Galomaro Porto, for example, where Associations stated that the 'Grandes' opted not to join, maintained a distance in order to be able to resolve disputes, and in some cases actually looked after Association funds);
- the role of the trainers as credit supervisors and agents needs very careful thought, and may indeed involved defining new job descriptions and terms of reference which could facilitate their later, post-TSRIP integration into a new national credit or formalized credit system;
- a more straightforward distinction between production and investment credits is needed (each with a different interest rate and carrying different repayment conditions), instead of the proposed transformation, transport, equipment purchase etc., credits;
- equipment credits are investment credits, and are not, by their nature, medium term (1.5 - 2 years). They are long term inputs and need longer term repayment periods to reduce the monthly payments to affordable levels (at least 3, maybe 5 years);
- the maximum limit of US\$10,000 is far too high (although it *may* be acceptable for future fishing association loans) - a limit of US\$2000 would be more appropriate (the minimum of US\$100 is fine);
- interest should not be charged on a simple interest basis, but should reflect the period of the loan in order to maintain the capital value of the final repayment allowing for inflation;
- the principle of not actually handing money over to the Associations needs to be discussed. Having the TSRIP make payments on their behalf has major drawbacks:
 - it does little to teach Associations how to handle their cash flow and be jointly responsible for resources;

- it will fail to give them a sense of the loan being 'their money', once contracted, and they will not have a clear idea of the difference between a credit-financed input and a project-provided (i.e. free) input;
- cheque payments may not be appropriate in the case of small loans to buy tools or additional *small amounts* of raw materials;
- having the TSRIP acting as the Credit Management agency must also be discussed, together with the banks in Bissau (which may be opening a branch in Tombali) and other possible partner groups (the recent experience with SOLIDAMI was not successful, but this does not necessarily mean that Africare should go it alone).

The final version of the scheme must reflect the combined forces of the Acting Coordinator (with his knowledge of local conditions), and the contracted-in specialist (with his/her specialist knowledge of credit schemes).

What results should be an interactive and flexible scheme which can be adapted as it gains momentum, in line with both local conditions and new developments at the wider national level. Meanwhile, on the basis of the field work for this evaluation, the following suggestions might be helpful:

- before doing anything else, each Association member should be asked to assess and declare as accurately and honestly as possible his or her monthly income, taking into account anticipated lump sums from crop sales as well as immediate income and wages;
- the Association members should then agree between themselves how much they can each contribute on a monthly basis, taking into account their living costs and other social and financial obligations;
- the poorest individual should set the contribution to be made by each member, and this multiplied by the number of members should determine the size of loan they can afford
- the Association, with help from the trainers and taking into account the food security framework which they have been taught, should then decide how best to spend this sum to improve their incomes, reduce risk, and address other aspects of the overall food security picture;
- the repayment plan should be simplified, presenting borrowers with a clear, single figure estimate of their total obligation including interest, over the period of the loan;
- this single figure should then be divided by the number of months in the period to establish a monthly repayment figure (which then forms the basis of a regular repayment on monthly or quarterly terms, as appropriate);

- an agreement should then be drawn up determining the obligations of each Association member, committing him or her to contribute the agreed monthly sum, and setting out the procedures determining what happens if a member defaults, such as whether the others must meet the missing payment collectively;
- the agreement must also cover what happens if somebody leaves the Association, or the Association is wound up, in which case how to dispose of and divide up assets or liabilities should also be covered;
- this internal Association contract should be agreed to and signed or otherwise validated *by all Association members, before disbursement.*

It is also suggested that technical assistance costs be included in credit packages, and paid for as for other inputs. One source of technical assistance which this would benefit is the many unemployed but well trained agricultural technicians now back in the country. If a National Consultants List were prepared, and these people contracted for a few days or a week to work to solve particular Association problems, all sides would gain. This proposal could also create a link to the TIPS training component, also supported by Africare.

Lastly, a savings element should also be incorporated into the scheme, to build upon the TSRIP requirement that each Association create a small fund before being considered for credit. If a savings scheme which carried interest were available, this would also serve to offset fears of interest payments, and illustrate that, in fact, interest rates work both ways. The BIGB has expressed interest in discussing a trial savings scheme in the wider context of its possible involvement in the TSRIP credit component as an account manager and service provider (not as a risk bearer).

A final comment is needed about the challenge facing trainers. Unfortunately, the TSRIP has used the promise of 'cheap credit' as a device to attract the participation of Associations, existing and new. This is not unique to the TSRIP, and reflects a widespread perception that offering credit well below the 'very high' bank rate (which is currently less than 10% in real terms) is the best way to induce small farmers into a credit scheme.

This view overlooks the fact that they are emerging from a long period of free hand-outs from successive projects which have created a strong dependency syndrome. The same view also overlooks the fact that most farmers and poor people already know what credit is, or if they do not know, it is because they are not aware that they already use it, and at much higher rates than the bank rate, through informal socio-economic channels.

If interest is not set at a positive rate (say 45-50%), nobody will win in the long term apart from the large traders and entrepreneurs who will continue to have access to the cheapest credit available, from the bank. The Credit Fund will not be sustainable, and will remain dependent on external support from Africare monetizations or some other source. Small farmers and Associations will never learn how sustainable credit functions, and to their advantage.

Armed with an understanding of these realities, and the negative consequences that they have had for village farmers for many years, the trainers will hopefully be able to achieve the difficult task of telling potential borrowers that they must now pay positive rates of interest which will be much higher than was originally indicated to the Associations. With some imaginative footwork, focusing, for example, on the very high interest attached to informal borrowing which already goes on in communities, trainers should be able to show that, in fact, TSRIP credit, even at high positive interest rates, is actually a good deal.

E. THE FOOD SECURITY INITIATIVES FUND

This is an additional strategy to add to and complement the activities of the existing program. It has the following objectives:

- to provide key facilitating infrastructure which will help make the credits granted to Associations more effective and profitable;
- it will address important *community* needs which have been identified as important factors in the overall food security analysis at village level;
- it will provide an immediate return to the community in exchange for what amounts to a commitment to join the 'formal sector' (or better, 'formalize their activities'), and thus serve to illustrate how, for example, paying taxes (or interest) can be the basis for the State (or some other external provider of services) being able to provide some other public or communal service

This Fund will be used to support materials and other external costs of small infrastructural projects with a clear economic benefit, such as building a small bridge across a river which blocks access to markets (incoming as well outgoing) during the rainy season, or constructing a small jetty to reduce accidents and losses when using river transport.

The Fund will also support these costs for essential social infrastructure which is identified as making a major contribution towards food security at village-community level, such as repairs to existing wells or pumps, or new water points. Community-based projects to upgrade or build a school or health post, following the example of the basic health care *abota* system, could also be supported.

Other considerations apply. The credit scheme, with its accompanying legalization and acquiring of formal national documentation, represents an undertaking by informal sector groups and individuals to formalize their activities and thus subject themselves to the possibility of paying taxes downstream of their involvement in the project.

This Fund, by providing some clear benefit now which does not accrue to an individual family or Association, can establish good will and support before the credit component proceeds. These

inputs will represent a significant capital contribution in grant form to communities that are being asked to undertake significant responsibilities in the context of the credit scheme.

F. SUPPORT TO NUTRITION EDUCATION

The discussion highlights problems which underline the need for improved nutrition education. This is identified by the Nutrition Department of the Ministry of Health as a principal component in the new National Plan of Action for Nutrition (MSP 1993). In the context of the Africare PL480 funded program, relevant outputs from improved nutrition education could be:

- better use of existing food resources, with implications for households about to enter a scheme where surplus generation and savings are planned;
- improved food security for vulnerable individuals (especially children) who may not benefit adequately even if project inputs improve household level supplies.

It is suggested here that USAID and Africare consider ways to use some of the funds generated by monetization, to support the Nutrition Education component of the National Plan of Action for Nutrition.

The Department itself is, of course, predisposed to this idea, and is also keen to help with the nutritional aspect of the food security impact monitoring system elaborated in the final chapter. While this falls slightly beyond the current purely private sector, enterprise and productive activity focus of the current program, the introduction of the food security objective as the guiding principle of the planned extension to 1998 would appear to justify some means of addressing this key issue.

G. FINAL COMMENT

If the poor are marginalized from mainline economic activity, their purchasing power will fall to levels where they will not be able to afford even the small quantities of PL480 commodities that they can currently buy. In this context, Africare has an important role to redress the balance, by widening the narrow concept of private sector cultivated by the national entrepreneurs favored by the TIPS program.

This small group has already had, and will continue to have (with or without TIPS) advantageous access to credit and other resources available through structural adjustment and other new market mechanisms. They will naturally seek to maintain that advantage *viz á viz* the thousands of small, mostly rural producers who constitute the vast majority of private sector enterprises which currently support the food security of the country.

It is certainly true that the serious entrepreneurs need support, but it is folly to ignore the strong linkages that bind them to the rest of the economy, which is artificially separated off and placed in the informal sector. These linkages provide them with their raw material (cashew nuts for

example), and maintain unequal relations of production and exchange which keep down wage costs and sustain high profit margins in an era of relatively cheap credit (or even free during the abuses of recent years). Measures now being devised through the TIPS program will make a fundamental impact on how these relationships are regulated in the future, and there is thus a fundamental link between the long term success of projects like the TSRIP, and the TIPS program itself.

Those with fears about 'peasants' having no experience of savings and credit schemes and how to respond to markets overlook two points. Firstly, what is happening now is the *reemergence*, not the creation, of a market economy in which they previously played a strong, albeit exploited role. Secondly, small urban micro-firms, small traders, and small farmers are all linked to the private sector by intricate (and usually very expensive) informal credit schemes which facilitate the extraction of a rising national marketed surplus from thousands of small farm producers.

Unfortunately, quantitative data and reports on this topic have not been uncovered during the course of this evaluation, but there is plenty of anecdotal evidence. Giving them access to regulated, cheap credit and saving possibilities, in an atmosphere where they have confidence in a recourse to law, is perhaps the biggest joint contribution which Africare and TIPS, working together, can make to raising national production and *securing* food security.

Those who fear that 'peasants' have no experience of such things should also reflect on the fact that there is a precedent for savings and credit schemes in Guinea-Bissau. A Post Office Savings scheme with roots in pre-Independence days once operated in most main towns, and apparently was increasingly popular with small farmers (Alvesson 1992). This fell into disuse not because small producers did not or could not respond, but because of a negative interest rate in real terms (as the value of the currency fell against the CFA and Guinean franc), and a cumbersome bureaucracy which meant delays getting money out when it was needed (if it was still there).

Not surprisingly the population lost all confidence in such a system, and confidence once lost is hard to regain. National rice production plummeted, the country became dependent on food aid. This is perhaps the most pertinent comment with which to close the discussion.

ANNEX ONE FOOD SECURITY TRAINING AND IMPACT MONITORING

A. FOOD SECURITY AND RAPID APPRAISAL TRAINING

The training took place over three days, one and a half days in each of the TSRIP Centers (Cacine and Quebo). All the trainers so far contracted into the TSRIP took part, and the course was also attended by the Acting Project Coordinator and the Training Coordinator.

The course was arranged in three components⁸:

- **a presentation of about 1.5 hours:** this introduced basic principles of food security, using the UNICEF-developed immediate, underlying, basic causes model; discussion then focused on the household, and factors which condition its food security (needs, resources, income and production, environmental factors (sanitation, housing etc.)); lastly, the household developmental cycle was introduced, to underline the dynamic nature of food security for all households, and to stress the way younger households are particularly vulnerable
- **a test to assess how the ideas introduced had been received (1.5 hours) :** trainers were asked to form two groups, and each group chose a village known to all the members of the group; each group then assessed the needs of the village for securing or improving food security, focusing on a range of possible constraints, opportunities, geographical location, access to services, etc.; having made their assessment, each group had to decide how to allocate US\$100 to selected priority activities to maximize their food security impact, taking into account short and long term benefits and objectives
- **introduction to Rapid Appraisal (1 hour):** this began by telling the trainers that, in fact, they had just done a Rapid Appraisal in its most basic sense; the more technical basis was then described: a technique for the rapid evaluation of a given village or regional situation, focusing on a particular type of problem and assessing constraints and opportunities using three complementary strategies:
 - use of existing knowledge and secondary sources
 - inter-disciplinary focus on a common central theme
 - use of semi-structured interviews

The whole course together was then used to illustrate how an appropriate system of monitoring might be put in place, which would use the conceptual framework provided by the food security discussion, and use the rapid appraisal techniques to collect specific data and make considered assessments of the impact/progress of the TSRIP at regular intervals.

⁸ Charts, questionnaires etc used for the course are at the end of this Annex.

The discussion also emphasized the interactive nature of the process: the monitoring system was new and untested, and much would depend on feedback from the trainers, to refine and improve both the indicators used, and the way in which they are interpreted. The trainers were then left with a one page questionnaire to assess each of the *villages* in which they worked with an Association. It was clear that they had not thought about the surrounding village at all analytically, when assessing the activities of each Association, and the food security framework now offered them the chance to do this in a coherent manner.

The results of the tests set above were very encouraging in this respect, showing a good grasp of the ideas presented, and indeed the returned questionnaires confirmed this. One exceptional point is that the trainers redesigned the questionnaire, to fit both their own ease of use and to adjust it to how they perceived the local reality: a quick response indeed to the plea for an interactive approach to establishing an appropriate monitoring system!

The results betray some problems still, but there is an excellent base there. Written comments from the trainers which were subsequently sent to Bissau indicated strongly that they are already gaining from having a conceptual framework within which to structure their work, and which offers them the insights gained by placing the Associations within their wider community context.

The next step is to upgrade and deepen this training, after a period when the trainers, together with the Coordinators, work with the ideas already taught. A longer course of six days can then offer the chance to see how they have used the material, resolve particular technical problems, and take the next step towards upgrading the indicators and developing the monitoring system based upon their observation and experiences. The proposed timing for such an input would be in mid-July, which has the added benefit of being during the 'hungry season' when trainers can observe and assess the responses of households to this particular difficult period in the yearly food security cycle.

B. MONITORING NATIONAL FOOD SECURITY IMPACT

1. Widening the Concept: A New Food security Policy

The essential first step is to work with the GOGB to update its thinking on the food security issue, to include the whole range of factors which are made explicit in the training program. Perhaps relevant National Directors should also be offered a chance to attend this short, two day course.

The GOGB should then be assisted to upgrade the Food Security Office, led by the Ministry of Commerce, but with full participation of the Ministries of Rural Development and Agriculture, Finance (Planning), Natural Resources, and Health (Nutrition Department).

These activities are not necessarily the responsibility of Africare, but the NGO should at least promote the idea and work with the GOGB and other donors to address the issue. Once these GOGB mechanisms are in place and operational, substantial parts of the work involved in

tracking some of the indicators detailed below can then be transferred to the appropriate national body.

C. A PL480 MONITORING SYSTEM

As indicated above, it is proposed to establish a monitoring system through an interactive process in which the TSRIP staff and trainers play an essential and constructive role. Provisional indicators for national and TSRIP level impact have been identified during the course of the visit.

1. National Level Indicators

At national level, provisional recommendations are for the tracking of more effective national nutritional statistics, the development of a measure of income distribution, a periodic study of the food aid chains linking Africare to the end consumer (checking for price differentials, and for penetration right down to the poorest rural households), and collection of price data of food aid commodities to assess the impact of shipments on price stability and product specific price inflation.

Monetization Efficiency

Prepare a short program to assess the 'cents per dollar' efficiency of the monetization, that will allow the following to be inputted and charted on a yearly basis:

- total funds generated by the monetization (A)
- total funds used to carry out the monetization
- total funds use for administration (center and region)
- balance left for direct project activities
- balance as a percentage of (A)

Identify and monitor the food aid chain for each commodity

Track prices between different levels, and their impact on the final end price to consumers.

Graph price data for each commodity and locate arrival and market availability points on the time (x) axis, to assess the impact of food aid arrivals on price stability.

National Needs and Food Supplies

Assess national energy needs (Kcal per capita) and construct a new requirements line as appropriate in Figure 1 (main report, page 6).

Annual Projections

Update the charts presented in Figure 1, and include additional charts and lines to account for other major non-cereal foods.

Food Reserves

Establish an appropriate database and methodology with the Food Security Office of the Government (Secretary State for Planning).

Income Indicators

Income Per Capita: National and Regional
Income Distribution

Outcome Indicators: Nutrition and Health

Track national child nutrition statistics, in conjunction with the Nutrition Department of the Ministry of Health.

2. Monitoring the Impact of the TSRIP

TSRIP level indicators focus on several levels. First, an outcome at the level of individuals: nutritional data on TSRIP children, collected by a three monthly nutritional surveillance exercise, perhaps with a control group of non-project children; second, an outcome indicator at household level: periodic assessment of a sample of household food baskets and consumption; third, indicators to show the broader food security situation at village/regional level: number of productive activities, number of new activities in the last year, distance from a good/bad road, good/bad rainy season access to the village, number of carts/trucks in the village, regularity of trader visits, adequate clean water, functioning base health post, schools etc.

Income Diversification

A village-level activity index of some sort is being considered. This would include data on yields, farmgate prices for the whole range of crops and processed foods produced, and the cash elements of household incomes.

Access Indicators

- kilometers from paved road
- kilometers from good all-weather road
- kilometers from rough but passable main road
- access by rural track only
- number of vehicles in the village

- number of animal carts in the village
- number of traders who visit per month
- number of traders who have regular agreements with anybody in the village

Trading Indicators

- cost of bringing a sack of rice from Bissau
- cost of taking a sack of rice to Bissau
- sale price of palm oil or equivalent processed food:
 - at 'farmgate'
 - in Bissau (wholesaler per barrel)
 - in Bissau (retailer per liter)
 - in Dakar (wholesaler per barrel)
 - in Dakar (retailer per liter)

Outcome Indicators

Income

At least at the level of the participating Associations, tracking the evolution of the incomes of members should be possible, given that this information is essential in order to assess the viability of credit proposals. Supplying accurate income information should be precondition of gaining access to credit in the first place, and should not be made a condition of participating in the TSRIP itself.

If some way can be found of assessing at least the trend (direction and rate) of incomes of non-TSRIP-assisted households, a valuable comparative indicator of TSRIP impact could be established.

Nutrition and Health

Nutritional data at the national level are still very weak, due largely to a serious lack of operational capacity (vehicles, trained supervisory staff) on the part of the Department of Nutrition and the Department of Maternal and Child Health of the Ministry of Health.

It is proposed to include as one element of the monitoring system, a longitudinal study of nutritional indicators among children from assisted Association households.

This idea has been discussed with the National Director of Nutrition, who, in principle, is open to the idea and willing to discuss the matter in detail at a later, project preparation stage. In the meantime the following scheme is proposed:

- 1) A baseline survey of a sample of TSRIP assisted children in the under-five year age group, and a control group of children not assisted by the Project. Indicators to be selected from:

weight-for-height
weight-for-age
upper arm circumference

- 2) The sample of children will be assessed every three months
- 3) A yearly report on the perceived impact of the TSRIP will be prepared.

The Nutrition Department proposes that existing staff from the Ministry Maternal and Child Health Service (in Health Centers and Health Posts) be used, and that existing equipment is adequate for the purpose described. They would benefit greatly from logistical support provided by the TSRIP, and any additional material or operational funding which would have a multiplier effect on their efforts to establish and monitor a new National Nutritional Surveillance Program, as part of the National Plan of Action for Nutrition.

F. FINAL COMMENT

These indicators are presented as provisional suggestions at this stage. There are too many, and some assessment of how they perform, or how they might be combined into some sort of index is necessary during the initial period of setting up the system. The active collaboration of TSRIP trainers and other relevant national professional staff will be essential.

ANNEX TWO
REPORT OF DR ABDU MANE
(Counterpart, Government of Guinea-Bissau)

A. BACKGROUND

1. The Republic of Guinea-Bissau

Guinea-Bissau is situated on the west coast of Africa, between the Republic of Senegal to the north and the Republic of Guinea-Conakry to the east and south. It is composed of a continental part and an insular one, with a total surface of 36,125 Km². The country is inhabited by 26 ethnic groups and its population is currently estimated at around one million, with a population density averaging 28 persons per Km².

The morphology is characterized by a prairie cut into by sea valleys, and some hills in the eastern part, with a maximum height of 30m above the sea level. The main rivers are Geba, Corubal, Cacheu and Mansoa.

The climate is tropical humid, made up of two seasons: a dry season and a rainy one. Average atmospheric humidity is 65% and the average yearly temperature is 26 degrees centigrade.

The main known natural resources include wood, fisheries, bauxite and phosphate. Currently, only wood and fisheries are being exploited.

The most important economic activity is agriculture, which accounts for 50% of GDP and involves 80% of economically active population. Industry represents around 6% of GDP, which is in accordance with the present economic status of the country as one of the least developed and poorest nations on earth.

2. Africare

Africare is a non-governmental organization, with headquarters in Washington. This organization signed an agreement with the Government of the Republic of Guinea-Bissau on September 2, 1988. On October 25, 1990 Africare signed its first specific agreement with the Secretariat of State for Planning, providing its assistance to the country in supplying its market with rice, vegetable oil, and wheat flour amounting to a total of USD 1,000,000.

The last specific agreement, signed between Africare and the then Ministry of Commerce and Tourism was about to expire and the two parties agreed that there was a pressing need for an extension of that agreement.

Africare reckoned that it can and it must continue supporting the Government of Guinea-Bissau. Yet, first of all, it needs to evaluate the monetization process, that is, an analysis of the flux of food aid meant for consumption in Guinea-Bissau. Africare will assess the impact on food security of the monetization and of Africare's work with Associations in the Tombali Region.

The study will evaluate the existing relationship between the various Associations in the Tombali Region which work directly with Africare, as well as the production and commercialization of their produce and their influence on local populations' diet. The role of health and education in the context of food security will also be taken into account.

The efficiency of the training process of trainers or local decision makers is a key element to be taken into consideration since it can influence and determine the production level and, at the same time, have a positive effect in terms of the food security of local populations targeted by Africare. Associations can raise the quantity and quality of foodstuffs. There is a need to enhance local production and improve the marketing of their produce in a foreseeable future.

3. Objective and Methodology

The objective of this work is an evaluation of aid provided by Africare, that is, the transaction flux and its impact in terms of food security, and the identification of the main constraints to improved food security.

The main method utilized was a survey and interviews carried out in Bissau, Bafatá, Cacine, Catió, Quebo and Saltinho.

B. FINDINGS

The Secretariat of State for Planning feels very concerned about Africare's assistance notwithstanding the fact that the assistance is welcome to the country. There is a feeling that there should be a strengthening of links with the country's administrative authorities and other organizations, as well as with donor countries. It seems to me that their concern is legitimate and pertinent, since the strengthening of links can lead to a flux of information and allow the country to negotiate the type of aid it needs, thus avoiding duplicity of actions. On the other hand, it is not less true that the fact that a country or organization holds exclusive rights concerning the supply of a certain commodity to Guinea-Bissau is dangerous. The best solution will be found through negotiations between the parties involved, which does not exclude the need for greater transparency on the part of Africare with regard to the methods it currently utilizes.

The Secretariat of State for Planning is the government body in charge of coordinating and supervising all national projects funded in the context of the Public Investment Program (PIP) and, thus, its concern is a legitimate one. Nevertheless, that legitimacy should not lead to the suffocation of "other initiatives" which, due to specific reasons, are found outside the PIP.

It has to be pointed out that those "other initiatives", coming namely from other organizations, serve to complement and relieve the Secretariat of State of Planning in the implementation of tasks which it would otherwise execute with great difficulty, due to a great extent to the Structural Adjustment Program.

The Ministry of Rural Development and Agriculture, through GAPLA, taking into account its wide scope of intervention, should be part of the information circuit because food security is supervised by the intergovernmental coordination mechanism, and because food security in Guinea-Bissau is not sufficiently lasting, continuous or stable.

The food security formula undoubtedly involves the Ministry of Commerce and Industry, due to the following reasons:

1. It is the governmental body which, from 1974/75 until 1991, received and coordinated all food aid provided to the country;
2. It is the governmental body which programs and selects, in global terms, foodstuffs the country needs, taking into account the foreign currency reserves available in the country; and
3. Among other executive tasks, this Ministry is the entity which authorizes the importing and exporting of some foodstuffs.

Based on the three indicators above mentioned, the Ministry of Commerce and Industry, at the time of signing the agreement with Africare, kept open the possibility of coordination and exchange of information with the referred NGO. The signing of the 1988 and the 1990 agreements helped the Government in supplying the country with some essential commodities, since the effects of the agreement signed with the World Bank and the International Fund in the context of the Structural Adjustment Program were impacting on people both in the cities and in the rural areas. For instance, the need to achieve the goals set by the above mentioned institutions led to a scarcity of foreign currency needed to pay for the importation of foodstuffs, namely rice, wheat flour, and vegetable oil.

The agreement with Africare reinforced the country's capacity to import the referred commodities and, as a consequence, the foreign currency thus saved was utilized in the purchase of other goods also deemed as essential to the country.

In very simplistic terms, we can talk about food security in a broader sense. In spite of the fact that we lack other elements enabling a deeper analysis, we can state that USAID/Africare's aid has supported food security in the country and, hence, it would be suitable to deepen our analysis through the various entities involved.

1. Field visits

In Bafatá, the working team visited the rice milling factory and, according to the information provided by its manager, from the moment the factory was set up in the eastern part of the country, hunger disappeared in that Region. They buy raw rice in the south of the country, mill it and sell it throughout the Eastern Region. It is difficult to obtain enough rice for the factory's installed capacity, which is fifty tons per day. It is obvious that producers from the south prefer to sell their rice to traders from the Republic of Guinea-Conakry.

With a view to reverse that trend, the factory's manager is undertaking a commercialization campaign concerning some products involving local traders. In specific terms, he provides soap, cooking vegetable oil, alcoholic drinks, sugar and tobacco. These are essential products that peasants need to obtain in exchange for the rice they produce. If this kind of trade becomes more attractive to producers from the south, who will then cease to sell their produce to Guinea-Conakry's traders, then the supply of rice from the south to the mill in Bafatá will be ensured, thus allowing it to supply the country.

In the meantime, the mill's owner has his own site for the growing of rice and he is working on that site right now. He also buys milled rice and sells it at the current market price. He seems, however, to prefer raw rice because it is cheaper to him and he makes higher profits by selling this latter type of rice.

In Bafatá, we interviewed the owners of two bakeries: One of the bakeries works with woodfuel and the other one has an electric oven.

The first bakery consumes a sack and half of wheat flour daily, that is, seventy five kilos of wheat flour. There is a good demand for their bread in Bafatá and surroundings areas. In addition to bread baking, they also use the flour to bake cakes.

There is a strong demand for wheat flour. In addition to the wheat flour that Africare brings into the country, some traders import flour from the Gambia, which they sell at high prices in the market. The importation of wheat flour by Africare led to a reduction in the price of flour imported from the Gambia. Yet it did not lead to a reduction in the price of bread in the market. In terms of food security, bread is increasingly being consumed and some families prefer to eat bread at breakfast rather than to cook rice, since rice is expensive and they need to obtain woodfuel or charcoal in order to cook, which makes its price higher still. Two aspects worth analyzing, however, are sufficiency in terms of bread and the nutritional value of each one of these products.

Another pertinent question is the change in the people's diet. They consume bread, independently of the fact that Africare brings wheat flour into the country. The fact that they currently eat bread does not necessarily mean that there is food security. There is, perhaps, a reasonable food stock and there will not be hunger as in the past, and that is important.

Concerning food security in the Bafatá Region, we can say that there is a certain degree of stability.

The second bakery, with an electrical oven, is closed because it has a generator unit which spends a considerable amount of energy, which gives rise to a high price for the bread it produces. There is, however, demand for its bread.

The vegetable oil imported by Africare led to a decrease in the price of oil imported from Holland and Portugal. People who used to import oil from those countries speculated in the market, because they had the monopoly of that product. The importation of vegetable oil by Africare is helping the population in general. Traders who buy Africare's oil deliver it to retailers who sell it directly to the population. There is a difference between the cooking vegetable oil imported by Africare and palm oil. There is no unfair competition, but the consumption of the former has increased lately, independently of Africare's importation. In terms of food security, it seems that the two types of oil complement each other and there is a tendency for the consumption of cooking vegetable oil to rise.

C. THE ASSOCIATIONS

1. Association of Women of Gadamael Porto

Concerning the interview carried out with the Association of Women of Gadamael Porto, we noticed some satisfaction on the part of local populations because, according to them, Africare enabled them to acquire things they did not expect in the short and medium term, such as the rice milling machine and the skills involved in jam production. Furthermore, they were also provided with training in the management of their scarce resources and in basic accounting. Due to the rice milling machine, women now have more spare time to undertake other complementary activities. The installation of the above mentioned machine constituted an incentive to the setting up of other associations and organizations in local communities. Neighboring populations still take their rice to be milled and pay for it. The payment is made as follows: out of ten kilos of rice milled, one is paid for the milling carried out. Otherwise, they pay three thousand pesos and that sum is deposited into the Association's fund, which is meant for the amortization of capital employed in the purchase of the milling machine.

Women work in horticulture and produce lettuce, onions, cabbage, pepper, sweet potatoes, etc. They consume part of their produce and sell the rest in order to buy some tools, for example, hoes, shovels, and cutlasses.

Before the setting up of Associations, women were already organized in a community group under a chief who presided over their work. After Africare's arrival, a fishermen's Association and a women's Association were set up with different, yet complementary, objectives. There is also an interconnection between their collective work and the individual work carried out by each family. A share of their working time goes to the Association and the other share is spent on their normal lives. If one of the Association's members needs support

from the Association, he/she can hire the labor needed and that sum will revert to the Association.

There is a person in charge of work outside the Association and that person carries out the negotiations concerning this sort of work. He belongs to the village and his tasks are formally stated in the context of the Association. Each Association has a president.

People's main sources of revenue are related to their work for the Association and their individual work. They do not usually travel abroad and only occasionally go to Bissau, where they stay for short periods of time.

There are health centers in the area, but populations provide a financial contribution towards the purchase of drugs, which are subsidized by the Ministry of Public Health. The purchase of drugs is the responsibility of the whole local community, and not only of the members of the Associations.

An aspect worth stressing is the relationship between Africare's trainers and association's members. The latter praised the work carried out by trainers because they live together with the association's members, monitor closely their lives and program their activities in collaboration with them.

2. Association of Limania Daruda

The Association of Limânia-Daruda was set up because its members saw that other villages were well organized, and they think that everything positive must be copied as long as it has advantages for them. Before Africare's arrival to the Tombali Region, there were other organizations working with them. The only difference is that Africare organized them in a better way, providing them with basic training in the management of their own resources and elementary accounting.

This Association's objective is the making of soap. They were granted credit by the Tombali Region towards the purchase of work materials. Currently, the Association produces soap, which is sold to the local community and neighboring communities. It happens, though, that the method utilized in the making of soap is deemed to be inadequate by the population, and the Association can no longer compete with the soap coming from the Republic of Guinea-Conakry. Hence, they suggest holding a course to upgrade the production of soap, so as to enable them to compete with the soap originating from Guinea-Conakry.

The Association has twenty eight members; twenty five of them are women. Their main source of revenue was soap making, which currently faces problems. The Association's proceeds are utilized to buy rice and other products for commercialization. In parallel to their Association tasks, members carry out individual tasks, for instance, farming, artisanal fishing and essentially *Djilandade*, that is, the sale or commercialization of products they purchase.

In terms of food security, this community has some problems, starting with the water supply. They face difficulties related to access to piped water, whose system needs urgent improvement. Animals, especially insects, make their working lives more difficult. They intend to diversify local production so as to be able to engage in horticulture, producing onions, lettuce, tomatoes and cabbage. They need water points, however, in order to be able to do it.

This Association has a stock of three tons, three hundred and thirty kilos to be consumed over the rainy season, which is the most difficult period of the year. This association requests Africare to provide it with commodities, on a credit basis.

3. Quitapesca Association

Africare's working team met with the Cacine Fishermen's association (QUITAPESCA). This Association started its work without any kind of outside support, but it is currently seeking a close relationship with Africare. They intend to supply Cacine with fish, thus helping to guarantee the community's diet. The Association's daily catch is estimated at three thousand and five hundred fresh fish, equivalent to around fifty kilos, which is smoked to be sold in Guinea-Conakry at the price of six thousand and five hundred pesos. This association wishes to supply fish to health centers and schools, provided that payment is guaranteed.

4. Association of Mohamedina - Cacoca

We visited the Association of Mohamedina's youths, where we were taken to an orange orchard belonging to an elder who has a contract with the referred Association. Although the association has its own orchard where young people work, the association negotiates with the elder for the barter of oranges, which he produces, against rice. The Association sells oranges and the proceeds go to the Association's funds. Usually at the beginning of the year, they discuss the terms of trade and, at the same time, set the price for the oranges. If there is not enough rice to be bartered for oranges, the Association pays for the remainder in cash. The oranges are sold at the local market, and to traders from Guinea-Conakry who buy them at the market price.

The Association's revenue is plowed back into the Association's own orchard, so as to avoid dependence on the elder in the future. In principle, everybody takes part in the Association's work. They think that, in order to exist an adequate level of food security, Africare should provide them an agricultural technician. I am of the view that it is necessary to make them see that Africare can bring in the technician, but it is the Association who must pay for his/her stay, because this is a way to make them take responsibility for their own lives.

There is a need to undertake a new upgrading course because the Association has expanded and they need to update their knowledge. One of the Association's members travels to Bissau to buy goods they need and they have no reasons to complain about their food diet. The community has not had a school since 1991, and that is worrying. About eighty children have not had opportunity to study since 1991, which makes it difficult to talk about food security in a foreseeable future.

5. Association of Cobocobo - Cameconde

Cobocobo-Cameconde is an Association of women who are involved in the production of tomatoes, lettuce, cabbage, green pepper and hot pepper. They consume part of their produce and sell the rest to neighboring populations, and to traders from the Republic of Guinea-Conakry. They also grow sweet potatoes, which traders come to buy in order to sell elsewhere. Furthermore, this Association carries out "commercial activities" since they use the proceeds of the sale of their products to buy local commodities, which they then take to Bissau or other places in the proximity, and return with sugar, vegetable oil, candles, and kerosene for their oil lamps.

Africare has provided them with elementary training courses. This is an important aspect because populations know that there is a relative guarantee, albeit a weak one, in terms of purchase of some essential goods, which represents some sort of savings concerning trip expenses.

At the beginning husbands did not want their women to travel outside their villages, because sometimes their wives would need to sleep outside their home but they ended up accepting the fact because they started to see their positive side. Women were able to bring more goods and innovations into their homes, their diet, and in the treatment of their children.

Nonetheless, they still complain about the fact they do not have a health center and a school. The Association plans to build a house, which will be divided into two parts. One part will be the school and the other part will be the health center. Only then will they be in a position to talk about food security. Children were unable to study in the current academic year, which is regrettable. After all, they still need Africare.

6. Association of Young Fishermen - Cassuma

This Association has a peculiarity which is worth stressing. Most of these young men were in Bissau and Bafatá and they have a reasonably good education since they were studying at high school, which is rare in the villages. Difficulties found at the mentioned urban centers made them return to their communities.

When these young men returned to their communities, they felt a need to do something concrete. Their group has since then been formed, but it was only through foreigners (Guinea-Conakry) that they started to learn fishing as a profession. This gave rise to their need to set up a true associative organization, with a view to give more consistency to their work. The arrival of the Africare project allowed them to create their Association, and to benefit from credit for the purchase of fishing nets, engines, canoes and diesel drums.

With their two engine powered canoes they work exclusively in the fishing sector. There is an apparent stability here due to the fact that there seems to be some guarantee towards the continuity of their activities in the future. They go fishing seven or eight times a month and

catch a reasonable quantity of fish that is sold at an acceptable price at the local market. Each time they go fishing, they catch between seven hundred kilos and three thousand kilos of fish.

Part of their catch is sold locally, another part is smoked and sold in Senegal in CFA Francs and the remainder is dried with salt and sold in Guinea-Conakry in Guinean francs. Occasionally *djilas* (traders) turn up, and buy fish which they resell elsewhere.

The Association lacks ice in order to keep the fish in appropriate conditions. The Association does not have much to complain about as far as food security is concerned, because they had good sales and were able to save money in CFA francs which, however, was later subject to a devaluation. Last August there was hunger in the village and they had to get back the money they had left in charge of the village's elder so as to buy rice.

Although they have the food security problem solved, their situation in terms of capital management is worrying. It is my opinion that they do not feel responsible towards the debt of PG 230,000,000 they incurred in the past, which is a rather serious matter.

7. Association of Quebo Horticulturalists

This Association produces lettuce, carrots, cabbage, tomatoes, green pepper, *badjiqui* and *candja* (the last two are products typical of Guinea-Bissau). Regrettably, they face difficulties concerning the purchase of seeds, which they buy at a very high price in Bissau from the Green Belt Project. They are interested in carrying on producing because part of their produce is sold in the local market.

The proceeds from horticulture have become an indispensable element in the family economy. Men thus recognize its importance, and horticulture has ceased to be mere alternative work for women, and has become a means to provide for the family.

This Association has an incredible and spectacular organization and it therefore deserves to be supported. The Association is in rapid expansion and, because of that, it should be legalized as soon as possible. The site utilized for the growing of vegetables should be fenced off because cows and wild boars get into it and spoil production and the Association does not receive any compensation from that. The level of food security is reasonable because they manage to produce for their subsistence and sell the remainder. It is only during the rainy season that they go hungry, but that is due to their lack of foresight and proper management of their revenues.

There can be no food security without basic health. There are no basic health facilities in Quebo. They have one hospital, which does not solve their basic health problems. There is evidence of an acute shortage of drugs. If the Association manages to organize itself in a better way, they will be able to buy some essential drugs out of their own revenues.

The education situation is serious. Despite the fact that it is the State's duty to provide education, good organization on the part of the Association and a dialogue with the teachers would probably lead to a positive outcome.

8. Averu Association

The Averu Association is a *sui generis* association. At first they were an Association set up with the purpose to sell fuel. At the time, however, the State had a monopoly in that field. Because of that, they became an Association selling second hand clothes. I had the impression that they have a profitable business, with features of a commercial undertaking. The Association works without major problems but it needs to be legalized *de facto* and not *de jure* as a commercial partnership.

9. Association of Quebo Craftsmen

This association is inserted into the community and it has some degree of organization. They work with local raw material which they utilize in the making of furniture. There is effective demand for their production by the local community and this encourages them to work even more.

Beside furniture production, they engage in other activities as well. For instance, they grow cashew trees, bananas, rice, maize, etc. They spend some of their working time in Association related work and the remaining in their individual work. They are more involved in rice than in maize because rice production and its processing (milling) requires shorter periods of time, despite the fact that maize is more nutritional than rice. Women's workload is heavier in the context of this Association as compared to the others, and that is the reason why they prefer a corn milling machine instead of a rice milling one.

The association has its own fund, like the others, which is meant to cover unforeseen contingencies. Association members and the population in general have access to this fund through the payment of a token fee.

A member of the association is in charge of the health center. The whole village takes part in the purchase of drugs, which they order from Catió. The school functions with some difficulties and there is a NGO, Association of Children of Forea, which intends to provide assistance towards the building of the local school.

10. Association of Saltinho Fishermen

This association has 4 average size fishing canoes. Yet they still face shortage in terms of materials. They need engines for their canoes and fishing nets in order to raise their catch volume. They sell their catch in the local market and in the neighboring villages. On the other hand, they regret the lack of bicycles for the transportation of fish but they still manage to sell their production and keep a fund for unforeseen contingencies.

The situation in terms of education is not serious because the school functions, albeit with some difficulties. In contrast, the health situation is serious.

11. The Blacksmiths Association of Saltinho

This is a new association, which underwent training last year. They need time in order to be able to produce good quality goods to compete with *Djilas* who sell goods originating from Guinea-Conakry. They face some difficulties concerning the purchase of materials but they repair bicycles, buckets, pans and, eventually, water taps if they have the necessary materials. This Association does not have funds yet.

D. OTHER ENTITIES VISITED

1. Government Personnel

Africare's working group met with representatives from the Ministries of Health and Education. These representatives are not directly linked to the project, but they do, nevertheless, follow Africare's aid and their work, and are affected by Africare's activities.

The local doctor showed his concern about children's nutritional status and the non-diversification of people's diet. Food security is fragile and, in the rainy season, malaria and diarrhoea are a threat. They provide information on health education but people do not show much interest. Children are weighed once a month. From the fourth month onwards, children must have a change in diet. They recommend mothers to give mush made of corn or other substances to their children. Most families, however, cannot afford to change their children's diet.

Some Associations are far from basic health centers. Therefore they request Africare's assistance by providing them bicycles, so as to enable them to travel to these Associations. Africare should help them in terms of drinking water, which can be done through an improvement of existing wells. Africare should also use the structure of basic health centers with a view to disseminate their practices and the need for a balanced diet on the part of children. Associations have an important role to play with regard to children's information and education.

Concerning the school inspector, he regrets the shortage of teaching materials and the school facilities precarious conditions. There are thirteen (13) schools in the Cacine Sector but unfortunately only nine (9) of them work, in difficult conditions.

Associations should start thinking about schools for their children. On the other hand, they have an important role to play concerning the management of human resources and community funds. One cannot think about food security without educating the younger generations.

2. Interview Held With a Group of Elders in Quebo

This was a long interview and the elders posed a number of questions. Their questions ranged from production to harvest to school, health and food problems and the need for a basic health center. They have a hospital which does not fulfil their minimum health requirements. After a visit to the hospital, they receive a prescription which is useless to them. Production, health and children's education were the aspects which were more emphasized.

3. Interview with a local baker in Quebo

This was a short interview with the local baker. He faces great difficulties concerning the purchase of wheat flour provided by Africare, which he orders from Bissau at a price of PG 210,000 and at PG 260,000 from local traders in Quebo.

There is demand for bread in Quebo. People come from far away to buy bread. There are five bakeries in Quebo.

E. FINDINGS AND RECOMMENDATIONS

Our findings and recommendations are the following:

a) There is a great deal of associative spirit in the work carried out in Bissau and in the regions. That spirit is to be praised and encouraged with a view to strengthen solidarity among people who are different but, nonetheless, have something in common: a desire to improve living conditions in their villages, increase local production, raise schooling levels, and improve the basic health system, which does not exist in some villages.

It is obvious that some of these tasks belong to the State but, due to the fact that Africare is also engaged in solving some of those problems, I recommend a dialogue with local authorities. There needs to be tolerance and understanding by both parties when dealing with these matters.

b) Mr. Tanner will cover the subject of food security in his report.

c) Concerning Africare's links with administrative authorities, especially the Ministry of Commerce and Industry, there is a need for a closer relationship involving other governmental bodies, such as the Secretariat of State for Planning, GAPLA and eventually some economic agents. Africare should continue a dialogue with other donors, with a view to coordinate food aid and enable a harmonization of their positions, based on a higher level of flexibility.

d) In the next trainers' training course, it would be suitable to include the process leading to the signing of contracts and its implications. Training and trainer's level is one of the most important factors for the success of Africare's project.

PERSONS, INSTITUTIONS AND FIRMS INTERVIEWED

GOVERNMENT OF GUINEA-BISSAU

**His Excellency Ansumane Mané
Minister of Commerce and Industry**

**Nelson Dias
Secretary of State for Planning**

**Dr Mario Domingos Gomes
Governor, Tombali Region**

**Carlos Amarante
Director, Agricultural Planning Office
Ministry of Rural Development and Agriculture**

**Dr Isabel Almeida
National Director of Nutrition, Ministry of Health**

**José Biai
Director General of External Finance and Cooperation**

**José Boissy
Food Security Officer, Secretariat of State for Planning**

**Abdu Mané (Counterpart during the evaluation)
Ministry of Commerce and Industry**

**Mamadu Mané
Director, Rural Incentives Program
Ministry of Rural Development and Agriculture**

**Dr Sanquinha Cuma
Sector Director of Health
Cacine, Quitafine Sector, Tombali**

**Nido Lopes
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**Armando Impom
Inspector of Educational Services
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NATIONAL NGO SECTOR

Alfredo Handem

President, SOLIDAMI

Instituto Nacional de Coordenacao da Ajuda Nao-Governmental

Rua 12 de Setembro 15-A

CP 6 Bissau

Tel: (245) 21-16-14 Fax: (245) 21-23-67

BISSAU CHAMBER OF COMMERCE

José Mario Vaz

President

Helder Delgado

Secretary General

Mamadú Bagui

Director, Regional Offices

NATIONAL FIRMS AND SMALL ENTERPRISES

Banks

António Picado Magalhães

Commercial Director

Banco Internacional da Guiné-Bissau

Dr Francisco Correia

Junior Commercial Director

**(Guinea-Bissau Counterpart
to the Commercial Director)**

Banco Internacional da Guiné-Bissau

Avenida Amilcar Cabral

CP 74

Tel: (245) 20-13-66 Fax: 20-10-33

Agostinho Fernandes

Commercial Director

Banco Totta & Açores

Rua 19 de Setembro 12-B

Bissau

Tel: (245) 21-48-45

Traders

Mamadu Aly Baró
Bandim, Bissau

Bussuriu Djaló
GIMPEX
Bandim, Bissau

Mamadú Djaló
Bafatá (also owner of Padaria Djacatú, Bafatá)

Canjura Injai
Rua Guerra Mendes 2nd Entrance
INTERNEGOCE
CP 26
1041 Codex Bissau
Tel/Fax: (245) 20-17-87

Bakeries

Sr Fall
Manager
Padaria Independencia
Traditional bakery
Padaria Djacatú
Sr Bemba Sambé
Owner, Traditional bakery

Bissau
Bafatá
Bafatá
Quebo

Other Firms

Paulo Serafim Gourinho Pereira
General Director
Emprendimentos Agrícolas
Luso-Guineenses SARL
(Rice Processing Factory)
Xainga
Bafatá
Tel/Fax: (245) 41-14-94

TOMBALI ASSOCIATIONS

Meetings held with Associations members and leaders in the following tabancas:

Quitafine Sector

Sr Caramoco Silã (Quintapesca)
Associação Mohamedina
Associação Bicota
Associação Cobocobo
Associação Limania
Associação de Mulheres

Cacine
Cacoca
Cassumba
Cameconda
Daruda
Galomaro Porto

Quebo Sector

Associação de Artesões
Associação de Pescadores
Associação de Ferriros
Associação AVERU
Associação de Horticultoras

Coli Buia
Saltinho
Saltinho
Quebo
Quebo

Council of Elders

Quebo

INTERNATIONAL COMMUNITY AND AGENCIES

AFRICARE

BISSAU

William Robinson
Country Representative

Elizabeth Crittenden
Administrative Assistant

Marcelo dos Santos
Monetization Manager

Luis Taveres
Assistant to the Representative

Sandra Clark

Project Coordinator, Business Studies

Rua Dr Severino Gomes de Pina 83

CP 203 Bissau

Tel: (245) 20-10-66 Fax: (245) 20-10-86

HEADQUARTERS-WASHINGTON

Judy C. Bryson
Manager, Food for Development Unit

TOMBALÍ SUSTAINABLE RURAL INITIATIVES PROJECT

António Madiu Embaló
Project and Credit Coordinator

Celestino Fernando L Sá
Training Coordinator

Trainers - Cacine

Francisco Baldé
Issufu Bancura
Iassim Barri
Malam Biai
Esteves Caetano
Luciano Imbulna
Antonio Jaime Sá
Mamadú Lamine Sanó

Trainers - Quebo

Francisco Embalo
Ussumane Embaló
Maimuna Faty
Alberto Mendes
Justino Queta
Digomar Sanca

c/o Africare, Bissau

EUROPEAN UNION

Gerardus Gielen
Commercial Advisor
CP 312 Bissau
Tel: (245) 20-10-66 Fax: (245)

FRENCH COOPERATION

Jacques de Lesquen
Head of Mission
French Cooperation and Cultural Mission
CP 05 Bissau
1415 Bissau CODEX
Tel: (245) 21-42-97, 20-11-93

REPUBLIC OF CHINA

His Excellency Ambassador Fuchang Ku
Embassy of the Republic of China (Taiwan)
Avenida Amilcar Cabral
Bissau

TIPS PROJECT

Mr John Blacken
Project Director

Mr William Noble
Training Coordinator (seconded from Africare)

WORLD BANK

Yves Tencalla
Country Representative
Rua Sete #4
CP 700 Bissau
Tel: (245) 21-24-32 Fax: (245) 20-12-84

Visiting Mission

Hisham El Naggar
Economist

Africa Region
Sahelian Department
Washington DC

Jerry Peck
Consultant
Visiting Mission

Tamara Duggleby,
Consultant (Duggleby and Associates Inc)
Visiting Mission

WORLD FOOD PROGRAM

Chantal Chaentane
Country Representative

Michel Laguesse
Operations Director

Rua de Sao Tome
CP 179 Bissau
Tel: (245) 20-11-19 Fax: (245) 20-11-08

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AFRICARE

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- 1991 May: Africare/Guinea-Bissau Title II Multi-Year Operational Plan including The Tombali Sustainable Rural Initiatives Project: FY 1992 MYOP Update
- 1992 April: Africare/Guinea-Bissau Title II Multi-Year Operational Plan including The Tombali Sustainable Rural Initiatives Project: FY 1993 MYOP Update
- 1992 November: Mid-Term Evaluation, Guinea-Bissau Tombali Sustainable Rural Initiatives Project
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