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LAND VALUES IN GUINEA BISSAU

by

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Land Valuation Report

Introduction

During two weeks of September, 1992, this consultant was in Guiné-Bissau to consider the need for an economic valuation of concession farm land, and if needed, to suggest methods of estimating land values. The details of discussions of the consultancy are given in Appendix I (the trip report) along with a list of persons consulted and pontas visited. It remains unclear who in the government is concerned with farm valuation and what all of the objectives of valuation would be, given that by law all land is the property of the State. There is considerable interest on the part of most donors (EC, FAO, World Bank, and USAID) as indicated in the trip report. Both donors and some GOGB publications indicated a possible dual purpose in estimating farm land value; first, as the basis of a land use tax and second, in order to promote more productivity in export oriented agriculture.

The following sections of this report consist of: first, the rationale of applying land valuation in Guiné-Bissau and a review of the present land holding systems. The second section is a general discussion of the role of land value in a market economy, and third, methods of estimating land valuation. Section 4 applies these concepts of valuation to the ponteiro farm sector in Guiné-Bissau, and in Section 5, there are recommendations regarding the need for information on the ponteiro sector.

I. Motivation for Land Valuation in Guiné-Bissau

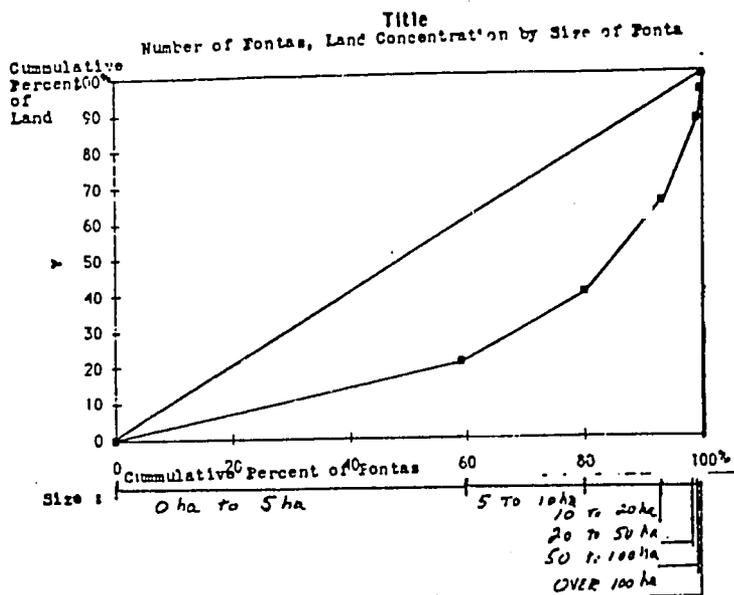
Agricultural land in Guiné-Bissau

is held by either tabankas (communal native farm system) or pontas (individual concessions for commercial farming). Their characteristics and conflicts are well documented in several sources (da Mota, Cabral, Bruce et al, and Crowley). This report will not duplicate those works.

The Portuguese appeared along the Guiné coast for centuries, but their control of the interior was much more recent. The western coast of Africa was discovered and explored by Portugal during a short period, from 1434 to 1475, in an area from Senegal to São Tomé. In the following centuries, Portugal disputed the coastal trade with other European nations. The boundaries of Portuguese Guiné were established about 100 years ago. An international arbitration in 1870 under US President Ulysses Grant confirmed Portugal's possession on Guiné against British claims. In 1879 Portugal separated Guiné from Cape Verde. In 1886 Portugal and France settled the northern boundary, giving the Casamance to France. From 1891 until 1915 Portugal fought wars of "pacification" against natives such as the Papéis and Fulas in the interior. The population was classified as "indigenous" or "civilized", which meant a citizen most often in a coastal, urban area. By the 1940 Census, there were 1419 "brancos" out of a "civilized" population of 5822, composed of Portuguese, Cape Verdeans and Guineans.

"Civilized" settlement outside of a fortified trading post was achieved by concessions of Crown land, given to Portuguese, Cape Verdeans or "tubabo-mone" (white-blacks). By 1945 it is claimed that 30000 hectares were in concessions (Mota, p. 49) although today only

about 9000 hectares are actually farmed in pontas. At Independence in 1975, there were 422 concessions, but the number of active pontas declined some as Portuguese and Cape Verdeans abandoned their pontas. Beginning in 1985 there was a land rush to take out new concessions, attributed to easy access to loans for ponta owners. According to the 1992 Census of Panteiros, there are either 1098 (Langworthy) or 1282 (GAPLA) pontas, holding either 11,184 hectares (Langworthy) or 10,821 (GAPLA). The distribution of panteiros and pontas by districts are given on Map I in brackets [% of all panteiros, % of all areas]. The relative share of land by size of ponta and percentage of panteiros is shown in Graph 1.



officials are both overwhelmed by donor advice and paralyzed by the lack of information regarding policy decisions. Land valuation decisions are not the only area of inactivity: the long debated Land Law to replace the 1961 Portuguese decree and 1975 post Independence Land Law has been delayed again. The FAO has not been able to motivate a new forestry development program (Plan d'action forestier tropical); two multimillion dollar agricultural loans have never been drawn upon because the financial sector was destroyed by the 1987 loan scandal and current inflation. There is no attempt yet to restructure the loan department of either the Banco de Crédito Nacional or the Banco Central. Overall, it is not surprising that in the area of ponta agriculture few policies are being discussed, especially since the "recovery" or modernization of panteiro farming would encompass new bank loans, a new land law, and a re-invigorated farm service sector. It is surprising, however, that while the PAIGC has abandoned all its economic beliefs in central planning, state monopoly of imports/exports, banking, insurance, industry, and housing, it clings to only one tenet--that of State ownership of farm land. Despite the ideals of leaders such as Amilcar Cabral regarding the 85% of the population living in tabankas and working in subsistence farming, the government faces the same two farming and land tenure systems as during the colonial period, under exactly the same legal status.

The stimulus for estimating land values in Guiné-Bissau is vague for several reasons. The PAIGC's ideological foundation has evaporated; there are numerous opposition groups running in the first ever multiparty elections at the end of 1992; and government

II. Land Value in a Market Economy

"Land value" is an important concept. It represents not only land itself but also the buildings and improvements on the land and all rights and obligations assigned to a defined area of

land. "Land value" is also subjective--it is generally the same as the price someone is willing to spend to acquire the land. Land value, however, is not always identical with market price. For example, a person may need money immediately and so sell land for less than if he could wait, or land may have different values to different persons based on different uses, such as farming, forestry or housing.

"Effective" farm land, not just land in its natural state, is a factor of production of agricultural goods, just as are labor and capital. Much of the value of land in agricultural production is derived from the quality of each parcel. Except for extractive uses such as collecting wild fruit, firewood or hunting, land has value because of the capital and labor necessary to make it productive. Land will have its highest value when it is occupied in its most productive use. In a land market, this is determined by the supply of and demand for land for various purposes. Land will go to the highest bidder, that is the person willing to use it most productively, in a private, not a social, sense.

There are several reasons why the land market is different from other markets, such as for corn or for cars, where a large number of transactions occur daily and annually.

First, all land is not identical, it varies in quality and location. Second, it is fixed, and therefore location is most important in determining land prices. Third, the number of buyers and sellers of land are usually not large. Lastly, both buyers and sellers often have limited knowledge of total market conditions, although sellers

usually have an advantage in better knowledge of a particular parcel of land.

In a market economy, agricultural land values are often established at auctions--open to all bidders and with full knowledge of prices by all concerned. Land prices are greatly influenced by other economic considerations too, such as government agricultural programs, cost sharing in land improvements, taxation on different classes of property and income. Farmers themselves often evaluate land value in terms of prevailing prices for agricultural products, while investors consider yields on alternative investments. In the neighborhood of urban areas, land value reflects its potential urban uses. In inflationary periods, land often is a hedge against a depreciating currency, in the face of few safe investments.

Before describing some of the more common estimation methods, it is necessary to ask why would one want to assign value to land. Property values generally serve one or more of the following purposes:

1. As a guide to an expected selling price,
2. As an indicator for rental fees,
3. As a guide to productivity measures,
4. As a basis for taxes,
5. As an indicator of ~~det~~ capacity,
6. As a guide to agricultural profitability.

In a case where land is neither sold nor rented as is the case in Guiné-Bissau, the benefits from an efficient system of land

evaluation estimation must be weighed against the costs in establishing such a system and maintaining it up to date. In Guiné-Bissau, "unoccupied" farm land is available as a government concession for payment of a registration fee and submission of a development plan. If unused areas are readily available for farming or future farm expansion, and there is no scarcity of land, the value of any particular parcel should be lower than in the case of land scarcity. As an productivity measure, other technical means are available to determine the productivity of a farm. Optimal productivity is not an apparent concern in ponteiro agriculture, since only 27% of concession hectares are actively farmed (Langworthy, Ponteiro Census of 1992, Table 3). Population densities would argue that farm land is scarce, especially when native farming systems are forced to allow fields to remain fallow to recover their productivity. The low concession registration fee is not an indicator of agricultural profitability, rather it has been, since colonial days, an enticement to "civilize" rural areas. Further evidence of the lack of optimization of resources can be seen in the granting at low, fixed rates, of forestry concessions and licenses for fishing rights, with no attempt to recoup economic rents from these resources.

III. Methods of Valuation

The following is a description of alternative methods used to determine farm property value. In any land market there are only a few generally used means of assigning values to property:

1. The comparative sales method estimating the value on one property based on the sale price

of a comparable property.

2. The replacement method where the property is to be completely reconstituted.

3. The capitalization of the flow of profits over the period of ownership.

4. The optimal residual for the best use of the property after deduction of all costs to achieve that level of output.

5. The comparable investment method in which the purchase of a farm property is compared with alternative investments.

None is a perfect system and all call for constant recalculation in order to remain current, but there is no doubt that the preferred method, given sufficient information, is always the comparative market price system.

Comparative Sales

In the comparative method, property is assigned a value based on recent sales of other properties, adjusted for differences in characteristics, unless there were other special conditions attached to the sale. Since property is not resold frequently, the current market value of property is based on the recent sale price of nearby or similar property. For simplicity of calculation, this is often the original sale price readjusted annually by the average change in sale price of similar classes of property which were actually sold during the year. As an example, if there are two nearly identical farms, and one is sold; then the expected market value of the other is considered to be the same as the sale price.

This is the most reliable method of valuation because it relies on an actual market price to establish values, that is, the money that someone is willing to pay for the property is identical to the price that the seller is willing to accept for the property. This is considered a "fair market price" and is the preferred valuation system where applicable.

Replacement Method

The replacement method is used mostly for buildings, not for farm land. It establishes the value of a property by determining how much it would cost today to construct an identical property, allowing for age and condition of the original property. Since much of the value of farm land is in differences in location and quality, it is hard to apply this method to farm land.

Capitalization of Profits

The third method uses earnings from the property. By measuring the actual earnings of the property, less costs of production including annual mortgage or rental costs, one gets the net profit for a property. The purchase value is determined by taking the present discounted value of a future stream of earnings over some fixed time frame (20 - 50 years). When the reported earnings are not accurate or a true reflection of the property's most efficient earning potential, this method seriously underestimates the market value of land.

Optimal Residual Method

In the fourth method-- the residual method--one must determine the optimal return or earning potential of land, then deduct the costs needed to reach that level. The resulting figure is the value of the land in its unimproved

state, at its maximum potential value (as opposed to the actual, current earnings method described above). The amount of difficulty in estimation of future returns, optimal earnings and costs of improvements as well as risks of not achieving the optimal levels of output, make this one of the most difficult and dubious methods.

Comparable Investment Method

The last method used to determine land value is similar to an investment choice model, that is, one compares the current market value of alternative investments which will return future flows of income at a given interest rate with the flow of income from purchasing and using farm land. Mathematically, it is easy to determine the capital one needs to invest today in order to have any given income stream over a fixed period of time. A person invests in farm property only as long as the present value of farm property exceeds the value available by investing in other property or interests. The dollar investment value at which one is completely indifferent between farm land and other investments determines the land value.

Land Access Rights

Land use rights are often acquired in either of two forms, by purchase (free hold) or by rental (lease hold). Although there are obvious differences between these two land holding systems, plus other means of access to land use, leases can be written so that they are nearly identical to free hold. That is, the lease period may be quite long (99 years or more) and renewable; lease holders may pass the lease to their heirs, they may sub-lease, they may post the lease as

a loan guarantee. Leases can be evaluated in a similar fashion, except that there are likely to be additional conditions attached and as the end of the lease period approaches the lease is obviously worth less. Leases may also include an initial lump sum payment or premium often in lieu of some conditions or in return for smaller rental payments.

Since a leasehold system could be constructed to be very similar to freehold tenure, the description here could refer to either leasehold or freehold system.

Farm Leases

Farm land is often rented instead of purchased, where there are open and active markets for farm or field rental just as there are rental markets for offices and houses. The only reliable method used to estimate farm rental value is the comparative method. It is often stipulated by law in other countries, that the comparative method of valuation takes precedence over all other methods of evaluation.

Among the factors considered in determining the degree of comparability are: location, elevation, size, rainfall, fertility of soils, water supply, access to roads, condition of fences and installations and form of tenure (sharecropping, cash rental).

IV. Ponteiro Farm Sector

The status of land law, tenure disputes and other aspects of ponteiro-tabanka relations are thoroughly discussed in other works listed in the bibliography.

There are three conditions to assigning land values that are particularly relevant to Guiné-

Bissau, because of their relative absence. First, the land parcels must be clearly and accurately described and surveyed with markers. In Guiné-Bissau, only 30 percent of active pontas are registered with the Cadastral Office. Many markers are non-existent, decayed or destroyed; others were re-located outside their official areas in order to enclose a larger area. Second, the land parcels must be unencumbered, that is there are no overlapping claims on the same land. Most land disputes in Guiné-Bissau are between pontas and tabankas over jointly claimed land (Tanner). Lastly, the prospective title must be secure. In this case, titles have generally been lost by abandonment by previous Portuguese owners or non-fulfillment of the original development plan during the probationary phase of the concession. This was rare. The failure of any of these conditions will drastically reduce the land value.

In the light of prior Land Tenure Center experience with leasehold systems by centralizing African states, it is clear that considerable effort must be made and will be required continuously to implant any system of land valuation. A land value and taxation system will require complete registration of all concessions, an accurate survey of each concession, including site, soil and land use description, the issuance of a concession certificate, determination and annual updating of a fee schedule. This can include an original application fee, premiums and annual rental fees. The system must also include agencies to assess fees, collect taxes and adjudicate disputes over fees.

In the current state of ponteiro agriculture in Guiné,

numerous pontas exist without registration, some registered pontas are inactive, many seem to have extensive idle acreage, there are reports of ponteiro-tabanka land disputes, and there apparently has rarely been a reversion of a ponta due to failure to utilize the land or to follow the development plan initially submitted. There is therefore a solid basis for the assumption that the institution of a land valuation system in Guiné-Bissau would be unsuccessful, unless there was also a much greater commitment of resources backed by an re-invigorated government commitment to a new land tenure system.

In similar cases in Mozambique and Zambia, the results were inadequate administrative capacity to implement a state sponsored lease system, fees continually unrelated to actual land values, inefficiency in the use of agricultural lands, landlessness as people were excluded from concessions and finally the inability of the judicial systems to address the large number of cases resulting from the land valuations. Concession conditions were not met and the opportunity for corruption was very large with respect to land allocation, taxation and supervision.

Specific issues in estimating land values: case studies

A wide variety of factors affect land values, some obvious ones are soil type, quality, slope, irrigation/rainfeed, access to markets, size of local market. Other variables are indirect: such as the price of final produce, handling costs, shipping availability, inflation rate, alternative investments, tax policy, financial risks, crop uncertainty, and overall supply and

demand conditions of land. The value of land can be estimated statistically based on these factors and others but the ability to account completely for land values is very limited. To apply a model to Guiné-Bissau, to account for different regions, crops, types of farm, to attempt to explain the land value of individual pontas would be a dubious exercise, given the current state of knowledge of ponteiro agriculture. Any statistical analysis of land value will also encounter the problem of accounting for the value of unused land--whether in pasture, fallow or truly idle. The existence of common property land will also create a problem, although not as much for ponteiros, since it is more of a feature of tabanka agriculture.

Two specific studies have already looked at variables useful for estimating land values. In the "Despacho Normativo" there are nine variables listed, although information is not currently available for each ponta for each variable. In order to spur greater efficiency in land use, the GAPLA/MADR proposed to tax ponteiros according to quality classes of land. There would be four classes, based on a rating of 0 to 3 points for each of the nine variables. These variables are:

1. Relief zone: highland, flood plain or lowland
2. Topography and slope
(0 to 2% gets 3 points,
2 to 6% is 1 or 2 points, and
over 6% is zero points)
3. Vegetation type (litoral, transition, or interior)
4. Population density
there is a tabanka = 0-1
no tabankas = 2

temporary occupation

5. Soil type

hydromorphic = 1-2

ferralitic = 0-3

regosoils = 0-1

6. Improvements and structures

each type = 0.5

7. Water access

permanent = 2

temporary = 1

none = 0

8. Distance from regional

(0.05 points per 5 km) and
national capitals (0.05
points per 2.5 km)

9. Category of operator:

small farmer=3(highest tax)

old farmer/dynamic new = 2

government officials = 1

Each of these variables are rated on a scale of 0 to 3 and summed to give a pontá score. According to the classification table:

Class I = 18+ points
Class II = 12-18 points
Class III = 8-12 points
Class IV < 8 points

each operator will be taxed according to the tax table:

2000 Pesos per hectare in Class
1500 PG for Class II
1000 PG in Class III and
500PG for Class IV land

Based on estimations of amount of agricultural land of each class in the concessions, the relevant tax rate, and a current exchange rate of 8000PG/US\$, a revenue of 343,000,000PG or \$43,000 per year would be derived.

Ha.	PesoTax	Yield
45000 x 2000		90,000
75000 x 1500		112,500,000
105000 x 1000		105,000,000
75000x 500		37,500,000
300000 =		343,000,000PG

One confusing point is that the assignment of points does not seem to have a consistent bias, that is, in some cases potentially more productive land is taxed higher, in other cases (distance from capital) the more distant the higher the tax! Non-farmers are assessed the lowest points, therefore they will pay the lowest taxes.

The second study, the "Census of Ponteiros", also attempted to estimate the relationships among net farm revenue and profits as dependent variables, using the same set of ten independent variables. These were:

1. Area (entered as the "inverse" or 1/HA)
2. Number of crops
3. Share of cashew in cultivated area

and dummy variables for:

4. Whether sugar cane
5. Location near Bissau
6. Use of tractor
7. Use of pumps
8. Use of fertilizer
9. Use of pesticides
10. If pontá began 1987

The results of regression analysis showed several significant variables but the overall success of explanation did not pass 17.5% of the variation in net revenues nad 5.6 % for the dependent variable "profits".

In summary, these studies indicate a few of the types of influences in farm decision making in Guiné-Bissau but they also

operations.

Access to farm credit is another reason for seeking concessions of land, independent of farming decisions. Land values could also be used as a guide for collateral in agricultural loans, but again this would require a different attitude regarding land ownership. Although there are enormous needs for information on the private farm sector, a land tax will not address these needs for sound policy planning. If current laws restricting land grant sizes and uses are not effective in controlling concession size and activity, there is little reason to think that a land tax could achieve the same objectives.

Several alternatives are proposed as a result of this consultancy:

1. The government could recognize the right to private farm property, at least up to some acreage limit (up to 100 ha would include nearly 99% of all active *ponteiros*). All prior land studies consulted recommended an outright recognition of individual property rights for farm land, but it appears to remain an ideological tenet--perhaps the only remaining one in the current economic situation. No thought has yet been given as to how to privatize land, WHEN farm land is privatized. Many of the small farmers will not be able to purchase land unless mortgage credit is available. An African homestead program of transferring land title to farmers after five years of operating a concession could be considered.

2. The government could use land values as the basis for annual rental payments, with the proceeds assigned to several agriculture sector programs such as marketing, cadastral support, or

infrastructure. This would improve the efficiency at both ends because rents would force farmers to become more productive and the funds generated could be invested to create conditions for greater return in farming.

3. The government could recognize the original status of most private farm land as deriving from the communal *tabanka* sector and allow the negotiation of rental agreements between *tabankas* and *ponteiros*. The terms of rent would include area to occupy, rent payments, length of contract, conditions for termination, and the supply of *tabanka* labor during peak harvest and planting seasons.

4. The government could retain ownership of land, while allocating use to individual farmers, but allow the use of the land as collateral in order to establish credit for farm modernization and purchase of inputs for agriculture. Other forms of collateral could also be investigated such as member loans within a farm cooperative or the use of co-signers. It is widely recognized that agriculture needs loans in order to modernize and grow, but the institutional structure, including land as collateral, does not exist yet.

Attempts to settle the issue of which variables (location, soil, crop type, use of inputs, etc) to use to estimate farm land value were not successful using the data reported in the 1992 Census of *Ponteiros*. If land values are to be estimated statistically, then an in depth survey of at least 5% of *ponteiros* (50) will be necessary. Sample size could vary in order to stratify the sample to include all four categories of *ponteiros*. At this point, only GAPLA/MDRA has

the capability of conducting such a survey; but most donors are already linked to GAPLA for their projects. GAPLA also needs to refocus its methodology in sampling to concentrate on a few "good" questionnaires rather than many "quick and dirty" interviews. A decision about conducting a survey will have to await several events, for example, the passage of the new Land Law sometime in 1993, a GAPLA zoning of the potential agricultural use of all land, and further training/coordination with GAPLA, especially regarding methodology.

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Appendix I.

Trip Summary

The purpose of this consultancy to Guiné-Bissau was to investigate the possibility of estimating land values for private (pontas) farms and to propose a system of deriving such land value estimates. This investigation occurred at two different levels: first, at the very general level of the nature and purpose of land values in other countries and within the context of state ownership of land as presently held in Guiné-Bissau. And secondly, there was a search for a formula with specific values of land quality variables which could be used to determine land values for all 1000+ pontas.

The land valuation problem and a new land law are critical areas of concern for USAID's TIPS project, whose goal is to create broadbased and sustainable economic growth through private market activities. The most available sector for growth is in agriculture. How land values could help the growth of this sector and how such measures could be derived were a principle focus of the recommendations.

The general conclusion from this consultancy is that the new Land Law does not intend to allow private ownership of farm land nor does the government intend to institute annual rental agreements. Therefore, estimating and assigning land values could appear to be primarily an academic exercise, not to mention a costly effort to institute and to keep up to date. The purpose of interest in land values appears to be as the basis for a new land tax, which the government plans to construct according to nine land use/user variables. This is planned in order to discourage large land concessions requests and the holding of areas of idle farm land. The actual system proposed in the Despacho is frankly pragmatic and its impact will not be as intended. For example, "better" land is taxed at a higher rate, this could merely discourage ponteiros from improving their holdings. But for this purpose not enough preparation has been done to separate good farm management, including fallow and conservation land, from merely speculative operations.

Access to farm credit is another reason for seeking concessions of land, independent of farming decisions. Land values could also be used as a guide for collateral in agricultural loans, but again this would require a different attitude regarding land ownership. Although there are enormous needs for information on the private farm sector, a land tax will not address these needs for sound policy planning. If current laws restricting land grant sizes and uses are not effective, there is little reason to think that a land tax could achieve the same objectives.

Several alternatives are proposed as a result of this consultancy:

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4. The government could retain ownership of land, while allocating use to individual farmers, but allow the use of the land as collateral in order to establish credit for farm modernization and purchase of inputs for agriculture. Other forms of collateral could also be investigated such as member loans within a farm cooperative or the use of co-signers. It is widely recognized that agriculture needs loans in order to modernize and grow, but the institutional structure, including land as collateral, does not exist yet.

Attempts to settle the issue of which variables to use (location, soil, crop type, use of inputs, etc) to estimate farm land value were not successful using the data reported in the 1992 Census of Ponteiros. If land values are to be estimated statistically, then an in-depth survey of at least 10% of ponteiros will be necessary. At this point, only GAPLA/MDRA has the capability of conducting such a field survey; but most donors are already linked to GAPLA for their projects. A decision about conducting a survey will have to await several events, for example, the passage of the new Land Law sometime in 1993, a GAPLA zoning of the potential agricultural use of all land, and further training/coordination with GAPLA, especially regarding methodology. (See GAPLA below). A specific survey proposal and budget to achieve the objective of estimating land value for pontas could be included in the final report of this consultancy from the Land Tenure Center.

Further specific meetings and discussions which took place:

A World Bank team was in Bissau on a project definition visit regarding Forestry and Natural Resources. They assessed the needs and the state of natural resources in Guiné-Bissau, with emphasis on forestry, and they will submit a report calling for a forestry project to begin in 1995. A further team will visit in November, 1992.

Discussions with the Banco Central de Guiné-Bissau elaborated on the discouraging macro-economic environment in the country. During 1991-92 there has been high inflation, debt arrears, balance of payments crises, lack of foreign reserves and a suspension of IMF credits. The bank feels

that there is no hope for improvement and they are just waiting to become the government bank, with no responsibility for foreign reserve coverage for imports and debt repayment, or even currency emission. The prospects for agricultural credit are also dim. The experience of 1986-88 with massive misuse and fraud in agricultural loans has not been resolved. Most debts are still unpaid. Even so, there are two large loans (Bad/Fad and Taiwan) available for agriculture except for two conditions. There is no loan granting institution able to monitor new loans and the IMF credit limits have already been totally surpassed by the normal government allocation for credit expansion during the present IMF agreement. New lending, even for productive agricultural activities, would require specific IMF and World Bank supervision and approval.

Discussion within GAPLA/MDRA covered a range of topics, particularly their heavy interaction with many donor's projects, such as the World Bank Forestry project, the PASA (Projecto de Apoio ao Sector Agrário with the World Bank) and PIR. There is a large load of project funded activities already and the creation of a land value commission, jointly with the Cadastro, as envisioned in the new draft Land Law could overburden GAPLA completely. GAPLA was responsible for the Despacho Normativo, seeking to tax farm land by land class/points.

A discussion with the Director of the Direcção de Topografia e Cadastro reviewed the functions of the DTC in the concessão granting process and revealed their limitations in light of any new duties imposed by changes in land law status. New concession requests seem to be in abeyance until the new Law is passed, more credit is announced and general sectoral conditions are better understood.

The Banco de Crédito Nacional is closed after the fiasco with agricultural loans in 1996-88, but continues to look for re-payment by debtors. The director is certain that agriculture must have new loans, but there are no loan guarantees available, not even through insurance programs.

The EEC has a large compound outside of Bissau, but its activities in agriculture are limited to one technical assistant with the DTC-Cadastro, to which they are not supplying infrastructure and equipment. They have only tangential interest in the new land law and any valuation of farm property

FAO is directly involved with ponteiro agriculture and the Ministry of Rural Development and Agriculture. Their current project in forestry, PAFT, in fact will overlap with USAID interests particularly with respect to estimating land values. They do not appear to work closely with GAPLA but they have ministerial approval to solicit a person for a two month consultancy in natural resources and forestry, which will include in the terms of reference:

"-d'analyser les facteurs qui ont une influence sur la valeur de la terre et les tendances relatives à la valeur courante de la terre dans différentes zones, en vue de donner des orientations, des indicateurs pour l'octroi des concessions et l'application des taxes foncières éventuelles."

FAO representatives hope to begin this two month mission before the end of the year, but they realize that little can be done before November elections, then until after the New Year, and then only after finding a candidate for this position (in France).

Approximately two days were spent making visits to pontas in the company of Antonio Acala Barbosa. There are generally four types of ponteiros: 1. New and dynamic 2. Old and traditional 3. Active but marginal, and 4. Abandoned or absentee. At least one ponteiro of each of the standard classifications 1-3 was interviewed:

Near Mansoa, Manuel Simões is the second largest sugarcane planter and aguadente producer in the country. He is also the newly elected head of the Câmara of Agriculture. He was engaged in supervision of seasonal maintenance of equipment while we visited. He is considered a "traditional" ponteiro.

We visited with Capitão Pedro on his new, commercial ponta, run by an Cape Verdean manager. The Capitan is planting large areas of mango, banana, maracuja, avacado and sugar cane almost entirely for export. His sources of investment were access to state equipment and profits for earlier crops.

Between Mansoa and Bafatà is a rice mill built with Portuguese development funds as a commercial venture. It has access locally to some rice paddy land but is involved in a dispute over the land. The rest of the area does not produce a surplus of rice for commercial sale, as opposed to the south of Guiné, so the mill is losing money.

Mr Carlos Barbosa owns a large traditional but modernizing ponta 12 kilometers outside of Bafatà. In addition to sugar cane, aguadente and mangos, this ponta produces rice, several types of fruit and has a hunting club/lodge for European sportsmen. The owners are operating without a hunting license, but there is no government pressure to seek a license.

At Nhabara we visited Fátima Araujo to see a female owned ponta, but it turned out to belong to her husband, through his inheritance from an uncle. This is an old ponta, nearly abandoned because of the earlier sale of the alambique (aguadente still) by another brother. There is still some mango and cashew collection but all the equipment is inoperable and some equipment and livestock have been stolen.

Just outside Bissau at Ensalmá is the new ponta of Antônio Nunes. He is a full time farmer, who previously operated the bar at the international airport. He is completely self-taught, keeps detailed records and has invested heavily in mango production for export. His ponta adjoins the ponta of his cousin, the president of Guiné-Bissau.

Alphabetical list of Persons and Agencies Consulted:

Abubakar Dahaba	Banco Central--Estudos Econ.
Acala Barbosa	MDRA/Rice Experiment
Antônio Nunes	Ponta Ensalma
Capitão Pedro P.	Ponta
Carlos Amarante	GAPLA/MDRA
Carlos Barbosa	Ponta Capè
Carlos Pinto	Banco de Crédito Nacional
Daniel Beaumont	FAO Chargé
Dr Raul A. Sardinha	World Bank/ Forestry
Fátima Araujo	Ponta Nhancra
João Aladje Mamadú Fadiá	Banco Central de Guiné-Bissau
Júlio Alves	Director, DTC Cadastro
Luis da Graça Pereira	PASA / IDA/World Bank
Mamadu Badjí	Câmara do Comércio/Agri/Ind.
Manuel Simões	Ponta (Mansoa)
Maria Guilhermina Soares	FAO representative
Mr Assefa Mehretu	World Bank/Natural Resources
Mr Desta	World Bank
Rui Fonseca	GAPLA/MDRA

Appendix II.

Mota's statement of importance of understanding tabanka agriculture. (1951)

Houve certamente erros administrativos e técnicos, dificuldades de mão de obra, a falta de continuidade (a praga do "imediatismo" político e económico que tantos males tem causado no Ultramar), a tendência para o abuso de legislação puramente teórica e não acompanhada de medidas práticas (quem se der ao trabalho de consultar o que há a respeito de projectos, reformas e regulamentos sobre agricultura e ensino fica pasmado com a abundância...). Mas, sobretudo, a ilusão de que se podiam transplantar pura e simplesmente para a Guiné, os métodos agrícolas europeus, o total alheamento e desprezo pelas práticas dos indígenas, condenadas por selváticas. Ideias aliás que não foram privativas a respeito da Guiné, antes gerais no continente negro. Não há por isso ainda hoje uma verdadeira Agronomia Tropical, mas sim uma série de agronomias puramente especializadas encaminhadas no sentido do rendimento financeiro de determinadas formas de plantação ... Porque se continuaram a desconhecer as relações entre o meio e os sistemas de cultura; uma agricultura puramente de produção.

" Se se quiserem melhorar os sistemas locais é preciso primeiro conhecê-los bem e provavelmente nós tiraremos, por sua vez, ensinamentos para melhorar os sistemas do tipo europeu tropical. '(Mota, Vol II, pp161-13.)



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