

GUINEA-BISSAU

RESULTS REVIEW

NON-PRESENCE COUNTRY

R4

FY 2001

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There is a pipeline of approximately \$2.5 million in the USAID-funded Trade and Investment Support (TIPS) Project in Guinea-Bissau. These funds, subject to approval of USAID/Washington, could finance useful activities that will be discussed at the emergency roundtable meeting in Geneva in the latter half of April 1999. This roundtable is aimed at mobilizing resources needed to finance priority reconstruction and rehabilitation programs for Guinea-Bissau.

Because of the civil unrest in Guinea-Bissau, Africare left the country in December 1998. The following excerpts come from an impact assessment report dated February 1998.

"The Tombali Sustainable Rural Initiatives Project (TSRIP) has generated significant impact in the three rural sectors where it works. The zone, and the project, has benefitted from the opening of an improved road network which has significantly reduced travel time and considerably improved transport conditions. This encourages more vehicular traffic and, correspondingly, increased opportunity for commerce.

While the road network has been under construction, the TSRIP team has quietly been working with rural associations to prepare the associations and their members to confront the new terms of trade which their villages will experience. The zone was virtually abandoned in previous times because transport was too difficult and too expensive to permit the shipping of local produce in commercially viable quantities. Now, the roads are nearly completed and the associations have built solid bases from which to engage in commercial activity.

The people with whom Africare's TSRIP team have worked are capable of making sage business decisions, brokering farm produce to market at a substantial profit while still being able to respond to the needs of individuals in their communities. That the associations have been able to compete aggressively with the traditional traders who have made their fortunes for years offering low prices to disorganized rural producers is a real sign of the impact this activity has had. The credit provided by the project to these associations was completely allocated to productive investment. The kinds of returns that have been registered would elicit low whistles of admiration and disbelief in any marketplace, never mind in the far reaches of Guinea-Bissau. This progress likely would not have been possible in the absence of credit. If TSRIP is permitted the time to consolidate its efforts, given the capital bases that have been established through good management, there is an outstanding opportunity that at least some of these institutions (associations) will be able to continue on a sustainable basis. That reaches the very core of the project's goal - to enhance food security by increasing incomes through strengthening producer and processor associations. It is happening in Tombali.

This paper has merely touched on some of the commercial successes that these associations are having under these new terms of trade. The increased revenue and creation of employment can only benefit the communities with which Africare is working. However, in order to consolidate these efforts, substantial work remains.

Literacy training has accomplished a great deal, but not all association officers and members are literate nor have they completely mastered the skills of numeric literacy. That is a goal which may well be attainable in the near future.

Essentially, the project has assisted the creation, organization and capitalization of rural banking institutions in villages where associations have been established. These institutions can remain in operation only as long as their capital base is not deteriorated. Project activities over the next phase must concentrate on helping the associations more fully develop the skills they require to manage the funds they have accrued. In the absence of formal banking institutions in the Tombali region, the associations with larger capital bases should be encouraged to establish relationships with banks in Bissau. This will permit the association to develop a credit record with the bank. In turn, the bank hopefully will view with favor the granting of loans to well-capitalized, well-planned rural enterprises organized by associations with proven ability to pay back their loans in a timely manner.

The rice bank that the rice marketing associations are maintaining in the village has not been tested fully as a buffer against hunger in the season of (food stock) crisis". The availability of the sizable stock of rice that some of these associations are managing to a village where hunger has been cyclically certain is a major asset to the entire area affected. For the first time, these villages have found a means to keep their rice in the village and still have money in their pockets.

Critically, the need to explore the relationship between the members and the associations remains a priority. The balance of sensitivity and discipline with which this problem is dealt with will condition the success of the rural banks that have been created through rural savings and domestic investment.

Finally, an attentive, systematic and flexible - but consistent- monitoring system must be regularly engaged by the project team. They need to know exactly what is happening, not just on an impressionistic basis, but on a well-founded empirically evaluated foundation. The staff now has the skills to pursue that course and they are encouraged to do so."