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REPUBLIC OF GUINEA-BISSAU

COUNTRY STRATEGIC OPPORTUNITIES PAPER (COSOP)



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CURRENCY EQUIVALENTS

Currency Unit	=	<i>Communauté financière africaine franc</i> (CFAF)
USD 1.00	=	CFAF 650
CFAF 1.00	=	USD 0.0015

WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m ²)	=	10.76 square feet (ft ²)
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
COSOP	Country Strategic Opportunities Paper
ECP	Extended Cooperation Programme
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
IDA	International Development Association
LPDA	Letter for Agricultural Development Policy
I-NPRSP	Interim National Poverty Reduction Strategy Paper
MALFH	Ministry of Agriculture, Livestock, Forestry and Hunting
NGO	Non-Governmental Organization
NPRSP	National Poverty Reduction Strategy Paper
NRRP	National Reconstruction and Reconciliation Programme
WAEMU	West African Economic and Monetary Union
WFP	World Food Programme

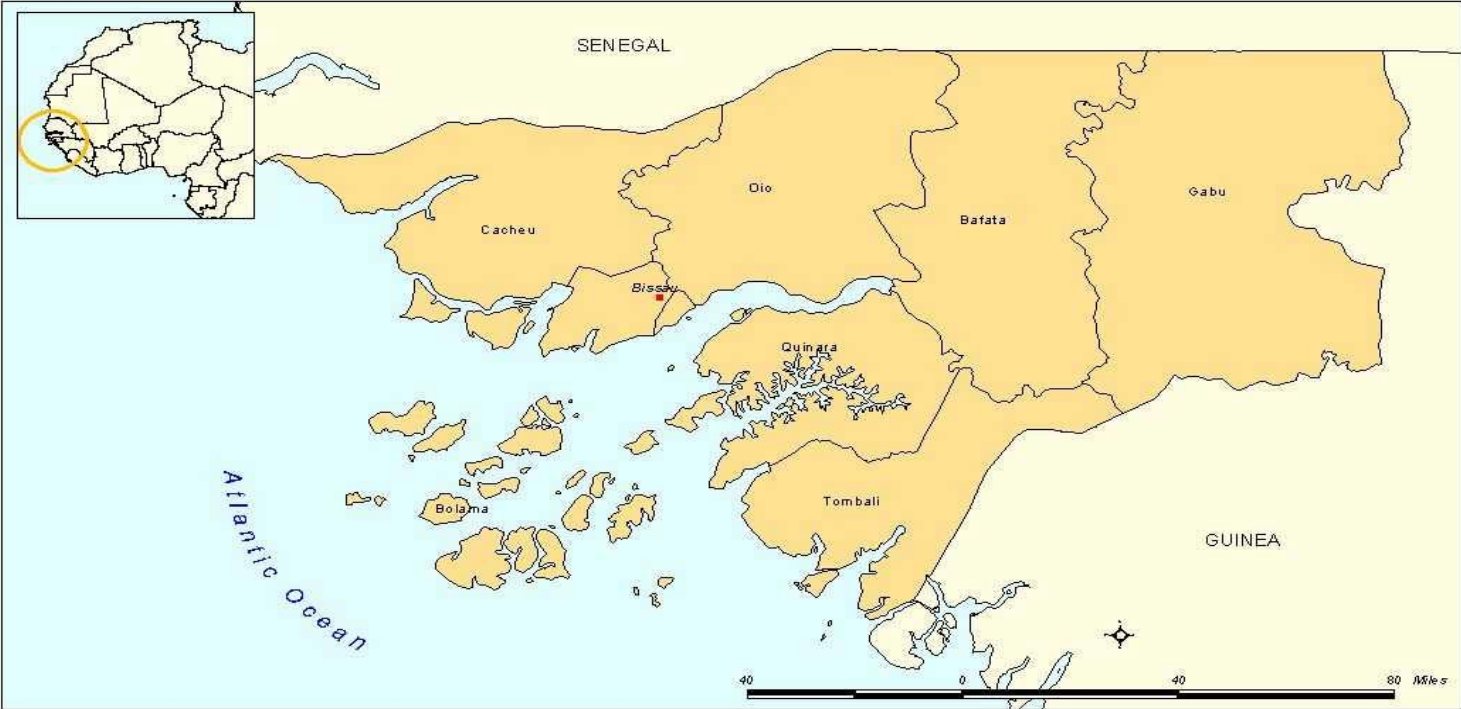
GOVERNMENT OF THE REPUBLIC OF GUINEA-BISSAU

Fiscal Year

1 January - 31 December

COUNTRY MAP

GUINEA-BISSAU



Source: IFAD/OE
The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.



IFAD PORTFOLIO OVERVIEW

Loan No.	Project Title	Terms of Loan	Approved Loan/Grant Amount (USD '000)	Approval Date	Loan Effectiveness	Closing Date	Cooperating Institution	Status
118	Tombali Rice Development Project	HC	6 450 000	21 April 1983	04 July 1985	31 December 93	AfDB	Closed
118	Tombali Rice Development Project	HC	920 000	21 April 1983	07 June 1984	31 December 93	AfDB	Closed
439	Rural Incentives Programme	HC	3 500 000	28 April 1987	22 October 1987	31 December 93	World Bank	Closed
439	Rural Incentives Programme	HC	800 000	28 April 1987	22 October 1987	31 December 93	World Bank	Closed
Total	2 projects							

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EXECUTIVE SUMMARY

Background

1. The preparation of the Country Strategic Opportunities Paper (COSOP) started in 1997/98, but it was interrupted by the civil war that broke out in June 1998. The draft documents were shelved until July 2001, when a joint IFAD/Portuguese fact-finding mission was carried out to consult with the Government, stakeholders and the donor community. Following this mission, a stakeholder workshop validated the draft COSOP, which reflects their recommendations.
2. Following the Debt Initiative for Heavily Indebted Poor Countries and the enhanced Initiative negotiated between the Government of Guinea-Bissau and the donor community, IFAD's Executive Board accepted a total debt relief for Guinea-Bissau from April 2001. This paved the way for a full resumption of IFAD's operations in the country.
3. Poverty is widespread throughout Guinea-Bissau and has worsened following the 1998-99 civil war. The 2001 Human Development Index ranks Guinea-Bissau 169th out of 174 countries surveyed in 2000. Per capita gross domestic product (GDP) amounted to USD 160 in 2001. Poverty incidence is higher in rural areas where it affects the majority of households, and is manifested through powerlessness, vulnerability, isolation, and physical weakness (due to health and nutrition problems). Most of the productive capacity of the rural poor, especially in the south, has been destroyed by the recent war.

Agricultural Sector and Rural Development: Opportunities and Constraints

4. Agriculture accounts for 64% of GDP and provides employment to 85% of the labour force. Exports of cashew nuts and fishery licenses represent approximately 87% of total export earnings. Food crop production is mainly for subsistence and farmers are trapped in a vicious circle of 'low-investment/low-productivity/low-revenue'. The dominant cash crop of smallholders is cashew, which makes farmers vulnerable to price volatility in the world market. Nevertheless, Guinea-Bissau has the agricultural potential to supply a broad range of food crops, including rice, maize, coarse grains, vegetables and fruits. This potential is, however, hampered by the lack of appropriate technologies. For a number of crops and products, research in new technologies and their diffusion via extension would be appropriate only after first enhancing the demand for and scale of agricultural commodity marketing. Agricultural potential is also hindered by high transaction costs stemming from (i) poor rural roads, (ii) poor condition of vehicles, (iii) poor market information, and (iv) lack of reliable and responsive financial services.

Lessons Learned from IFAD's Experience in the Country

5. Previous IFAD assistance to Guinea-Bissau consists of two projects totalling USD 13.51 million, including USD 11.52 million in loans and USD 1.99 million in grants. The Tombali Rice Development Project, approved in April 1983, was initiated by IFAD and cofinanced with the African Development Bank (AfDB) and the World Food Programme (WFP). The Rural Incentives Programme, approved in April 1987, was financed exclusively by IFAD. Both projects were prematurely closed in December 1993 because of outstanding arrears. Since then, IFAD has not developed new projects.
6. A number of lessons can be drawn from IFAD's experience in Guinea-Bissau and they can be summarized as follows: (i) counterpart funds require careful and realistic assessment of the borrower's capacity to meet its obligations in order to avoid frequent suspensions and disruptions of project activities; (ii) project management needs to be monitored and scrutinized thoroughly so as to



prevent misuse of project funds; (iii) project design should not overwhelm project management units with direct implementation of project activities; (iv) project design needs to be realistic with respect to the institutional capacities to carry out the activities; (v) project implementation should be flexible enough to redirect project components when they are not achieving the desired impact; and (vi) project design should empower local institutions to promote community-based development and implementation.

Strategic Framework for IFAD

7. Guinea-Bissau is in a post-conflict situation with widespread poverty throughout the country. In this context, interventions will pursue three overall objectives: (i) facilitate the transition to sustainable peace with the inclusion of interventions aimed primarily at bridging the relief-to-development gap, (ii) support economic development, and (iii) support social development. The intervention strategy will be developed along the following lines:

- **bridging the relief to development gap**, by restoring productive capacities and rehabilitation of infrastructure;
- **mixing grants, supplementary funds and loans** in the post-conflict context. IFAD operations will seek as much as possible to complement other donor resources and interventions. Donor coordination will be a crucial element in IFAD strategy;
- **achieving food security**, by providing support to rural poor households so as to help them produce enough food to meet their food security needs and sell food surpluses to generate additional income; and
- **empowering rural communities**, including smallholder farmers, women and youth through capacity-building. This will entail consolidating grass-roots organizations and building effective institutions at the local level and gradually at the national level, ultimately increasing their participation in the planning and implementation of development programmes.

8. IFAD will target the following groups: (i) rural households that have lost basic productive assets such as seeds, small agricultural tools and livestock; (ii) large families with numerous malnourished children, orphans and elderly dependants; (iii) newly settled groups, women who are household heads, especially those with young children; and (iv) rural poor youth currently incapable of undertaking agricultural and off-farm activities, but with the potential to do so.

9. Particular attention needs to be accorded to ex-combatants as a beneficiary group because their integration is a necessary condition for social, military and political stability.

10. The proposed project will target the Tombali region, site of the first IFAD-funded project. This region is one of the poorest in the country in terms of economic and social infrastructure. Its human and social indicators are among the worst in the country, making the region an ideal candidate for a newly funded project.

Tentative Lending Programme

11. IFAD will adopt a strategic medium-term (three to five years) approach, consistent with government objectives and IFAD's regional strategy. Given Guinea-Bissau's rural population of 800 000 and the limited institutional absorption capacity of the country, IFAD's commitment for the next three to five year period will amount to about USD 5-6 million.



12. In light of the current situation in Guinea-Bissau, it is suggested that IFAD provide assistance by designing a rural rehabilitation and community development project. The main objective of the proposed project is to provide support to rural poor households to facilitate their integration into rural communities and help them improve their food security through increased productivity. Achieving this objective requires: (i) enabling the rural poor to satisfy their immediate survival needs and reconstitute their resources so as to establish an enabling environment for them to pursue their normal activities in a sustainable way; (ii) enhancing food production to improve food security in rural areas; (iii) rehabilitating social and economic infrastructure (health clinics, schools and roads) in rural areas; (iv) strengthening the capacity of rural organizations to undertake community development; and (v) creating the conditions for an efficient marketing system so as to lower transaction costs and enable diversification.

13. Given the post-conflict situation of Guinea-Bissau, IFAD has prepared a grant, which will be supported by the Italian Trust Fund and channelled to a local non-governmental organization (NGO). This is a first step in reactivating the loan portfolio, bridging the relief to development gap and restoring productive capacity. Other grants will be used to help rural women improve food and vegetable marketing systems so as to enhance their earning capacity. Additional grants will be sought for the capacity-building of rural organizations in selected regions. Moreover, a grant programme will be designed to finance interventions such as a pilot scheme in rural finance. The results of these activities may be used as an input to a larger and structured project. Local NGOs could be used to test a new rural development approach based on community participation in rural activities.



REPUBLIC OF GUINEA-BISSAU

COUNTRY STRATEGIC OPPORTUNITIES PAPER (COSOP)

I. BACKGROUND

1. Mindful of the role it can play in helping the Government of the Republic of Guinea-Bissau achieve its objectives of restoring long-lasting peace and lifting its population out of poverty, IFAD is planning a resumption of activities in the country. This Country Strategic Opportunities Paper (COSOP) articulates a strategy designed to address the post-conflict rehabilitation and reconstruction needs of Guinea-Bissau. It assesses the existing constraints and opportunities and lays a solid foundation for fruitful collaboration among IFAD and the Government, civil society and the donor community.
2. The preparation of the COSOP started in 1997/98, but it was interrupted by the civil war that broke out in June 1998. The draft documents were shelved until July 2001 when conditions were again favourable and a joint fact-finding mission was carried out by IFAD and Portugal. The mission consulted the Government, stakeholders and the donor community. A suitable niche for an IFAD intervention was identified and a draft COSOP prepared. A stakeholder workshop validated the draft COSOP in November 2002 and the resulting recommendations were integrated into the draft document.
3. Previous IFAD assistance to Guinea-Bissau consisted of two projects totalling USD 13.51 million, including USD 11.52 million in loans and USD 1.99 million in grants. The Tombali Rice Development Project, approved in April 1983, was initiated by IFAD and cofinanced with the African Development Bank (AfDB) and the World Food Programme (WFP). The Rural Incentives Programme, approved in April 1987, was financed exclusively by IFAD. Both projects were prematurely closed in December 1993 because of outstanding arrears. Since then, IFAD has not developed new projects.
4. Following the Debt Initiative for Heavily-Indebted Poor Countries and the enhanced Initiative negotiated between the Government and the donor community, IFAD's Executive Board granted a total debt relief for Guinea-Bissau from April 2001. This has paved the way for a full resumption of IFAD operations in the country. However, such a resumption will only be possible and sustainable under the stable socio-political conditions necessary to the undertaking of long-term viable economic activities.

II. ECONOMIC, SECTORAL AND RURAL POVERTY CONTEXT¹

A. The Economy and Agricultural Sector

5. With a total land area of 36 120 km², Guinea-Bissau is a relatively small and poor sub-Saharan country, bordered by Senegal and Guinea-Conakry. It is now entering a new phase of economic and social development following a devastating civil war. In 2001, the country's population was estimated at approximately 1.2 million, with a growth rate of 2.2% and a density of 43 inhabitants/km². About 67% of this population live in rural areas. With a per capita gross domestic product (GDP) of USD 160 in 2001, the country's population ranks among the poorest in the world. Total GDP amounted to USD 205 million in 2001. Agriculture, services and industry contributed 64%, 24% and 12%, respectively. As such, agriculture is by far the most important economic sector in Guinea-Bissau.

¹ See Appendix I for additional information.



6. The long independence war caused widespread loss of human life and marked destruction, finally ending in 1975. Guinea-Bissau adopted a centralized economic regime characterized by heavy state involvement in most economic sectors. Little room was left for the private sector to play any significant role. Industrialization was the main driving force behind the government development strategy, marginalizing the agricultural sector.

7. Owing to this strategy, the economy declined over time and the country had to rely increasingly on food aid to feed its expanding population. To redress the poor economic performance, the Government embarked on a reform programme, with assistance from the donor community. This programme was supported by a Structural Adjustment Facility in 1987-89, and a three-year annual arrangement under the Enhanced Structural Adjustment Facility approved in 1995. During the period 1995-98, the Government introduced a comprehensive fiscal reform including a generalized sales tax and a new customs tariff scale. It also improved public expenditure management, rationalized the civil service and reformed public enterprises. In addition, it took steps to adhere to the West African Economic and Monetary Union (WAEMU) in May 1997, paving the way for the reform of the banking sector by making its laws and regulations consistent with those of WAEMU member countries. As a result, the inflation rate dropped markedly and economic growth improved thanks to investments in construction and services.

8. A civil war broke out in June 1998 and war-related losses were estimated at about 50% of GDP. The conflict reversed much of the economic progress made, aggravating the global economic and social indicators. For instance, per capita GDP dropped from USD 240 in 1997 to USD 180 in 2000.

9. A peace accord was brokered in May 1999 and yielded presidential and parliamentary elections in late 1999 and early 2000, leading to a coalition Government. Since the resumption of peace, the Government has concentrated on restoring macroeconomic stability, strengthening its institutional capacity, rebuilding infrastructure and investing in social services. Aware of the economic situation of the country, the Government took steps to reverse the poverty trap. It is within this framework that the Government, assisted by donors, launched a set of reforms following the approval of the Poverty Reduction and Growth Facility (PRGF) by the boards of the International Monetary Fund and the World Bank in December 2000. It also prepared a National Poverty Reduction Strategy Paper (NPRSP) outlining its policy guidelines for future assistance from the donor community.

10. Thanks to the reforms undertaken, Guinea-Bissau has been eligible to benefit from the enhanced Debt Initiative designed to lessen the heavy debt burden. The total nominal debt amounted to USD 944 million in 1999. Of this amount, 42.5% was due to the Paris Club, 24.1% to the World Bank Group, 13.9% to the AfDB and 5.4% to other multilateral donors. Under the enhanced Initiative terms, and consistent with the debt-to-export ratio of 150%, total assistance is estimated at USD 416 million in net present value terms, of which IFAD is contributing about USD 2.2 million.

11. Despite the reforms, the economic and financial situation deteriorated in early 2001 following the relaxation of fiscal discipline. GDP per capita dropped from USD 180 in 2000 to USD 160 in 2001. As a result, the Government agreed to a short-term macroeconomic programme covering the second half of 2001 to reverse the poor economic performance. Macroeconomic performance is monitored on a regular basis and adjustments are made accordingly.

12. On the political side, significant progress was achieved in domestic reconciliation and political stability, particularly with legislative and presidential elections. A new Government took office in February 2000 on the basis of a broad political coalition. Political stability is, however, fragile and may need external assistance to consolidate the consensus-based peace and lay the foundation for long-term economic and social development.

B. Agricultural Sector

13. **Production pattern.** The primary sector, including crops, livestock, fisheries and forestry, is the backbone of the economy. It accounts for 64% of GDP and provides employment to 85% of the



labour force. Exports of cashew nuts and fishery licenses represent 87% of total export earnings. Food crop production is mainly for subsistence and farmers are trapped in a vicious circle of 'low-investment/low-productivity/low-revenue'. The main crops are rice, groundnuts, millet, sorghum, cassava and fruit. The dominant cash crop of smallholders is cashew nuts, in which Guinea-Bissau appears to enjoy a comparative advantage. It accounts for the bulk of foreign exchange earnings, making Guinea-Bissau vulnerable to price volatility in the world market. As such, the Government decided to focus its efforts on diversifying agricultural production and exports. To this end, it updated the Letter for Agricultural Development Policy (LPDA) in April 2002 and gathered momentum to approve and implement the ensuing Action Plan.

14. **Farming systems.** Arable land, covering nearly one third of total area, is estimated at 1.1 million hectares. Cultivated land occupies only 400 000 hectares, half of which is used to produce food crops. About 180 000 hectares are devoted to cashew nuts, palm trees and mangoes. Guinea-Bissau has agricultural potential spanning cotton (already produced in the north and east), fruits (particularly mangoes, which could be exported to Europe), groundnuts (with a present production of 250 000 tonnes compared to a maximum level of 600 000 tonnes) and rice (through the introduction of more modern production techniques).

15. Four major types of farming systems exist, differing significantly according to ecological zone and type, namely (i) Balanta mangrove production (*bolanha*), (ii) transitional 'mangrove-upland' farming, (iii) upland farming, and (iv) *ponteiros* (large-scale farmers).

16. The Balanta mangrove production system dominates in the coastal zones and is based on mangrove rice cultivation. The natural regeneration of soil enables rice yields of over two tonnes. This production system is usually complemented by livestock and fishery activities, which are primarily undertaken by women. It is typically geared towards subsistence and provides some surpluses for social events. In the transitional mangrove-upland system, which is widespread in Guinea-Bissau, farmers produce mangrove rice and other crops (millet, sorghum, maize, groundnuts, rice and cowpeas) in the uplands. Crop production has been extending onto marginal uplands, owing to demographic pressure. The upland farming system is practised in the north-east. It is based on millet, sorghum and groundnut cultivation, in addition to some maize and rice. Farmers also undertake livestock-rearing, essentially ruminants for home consumption. Livestock has been putting increasing pressure on the environment, causing soil degradation and erosion in many areas. Throughout the country, smallholders are moving from traditional food crops to the production of cashew nuts, which are exchanged against rice in a barter system.

17. The production system of the large-scale *ponteiros* is market-oriented and characterized by higher productivity. These farmers exploit the best arable land, use more modern inputs and have access to credit from formal banks. However, only a fraction of the land of *ponteiros* is exploited.

18. **Gender.** Women represent the mainstay of smallholder agriculture in Guinea-Bissau. Notwithstanding differences across ethnic groups, they are responsible for the bulk of farming activities, with the exception of land clearance and soil preparation. Women are in general compelled to provide a great deal of labour on fields owned by their husbands. In addition, they manage their own plots and yards and keep small livestock for both home consumption and cash income through sale in *lumos* (local markets). In the current post-conflict situation of widespread poverty, the number of woman-headed households has increased dramatically, while their access to remunerative jobs is limited due to their poor educational status and lack of skills. Women's community-based associations (e.g., horticulture associations, rice production associations, fish trade and processing associations) are relatively common but weak. As such, they deserve strengthening to provide greater bargaining power to their members.

19. **Rural finance.** The financial sector is very weak in Guinea-Bissau. One commercial bank exists but has no lending operations in rural areas. In these areas, the only functioning credit system is based on about thirty microcredit organizations. The system is more developed in the south than in the north. Non-governmental organizations (NGOs) have supported the more successful of these



microcredit activities. Most NGO-supported microcredit schemes have specialized in short-term credit, but they are relatively weak. Human capacity needs to be upgraded following an assessment of the existing situation.

20. **Public sector organizations in the rural sector.** The Ministry of Agriculture, Livestock, Forestry and Hunting (MALFH) faces a host of constraints including (i) institutional weakness and excessive centralization; (ii) overstaffing (about 1 000 civil servants, of which 60% are located in Bissau); (iii) lack of coherence between policy objectives and real operations; (iv) very rigid administrative management; and (v) systematic low budget resources.

21. The Ministry is adapting its structure to the needs and resources of the country, and to the policy objectives stated in the LPDA and its Action Plan. Overall, the restructuring process of MALFH aims to strengthen its links with civil society, decentralize its services and disengage progressively from activities that can be undertaken by the private sector. In the future, MALFH will concentrate on the following tasks: (i) orientation, monitoring, coordination and evaluation of policies and development programmes; (ii) regulation and control; (iii) preservation of natural resources; and (iv) provision of technical support. To this end, MALFH will adopt a more functional, horizontal and integrated structure, instead of a sectoral approach. This new orientation is more in line with the needs of the rural population, allowing the formulation and implementation of integrated strategies.

22. **Community-based associations.** Due to the legacy of centralized planning in Guinea-Bissau, civil-society organizations have historically been very weak. Genuine civil-society organizations are relatively recent, as they started to emerge at the end of the 1980s. Economic liberalization favoured the emergence of a large number of grass-roots associations. At present, two types of organizations exist: (i) legally organized NGOs with headquarters in Bissau and operating in different regions of the country; and (ii) grass-roots organizations, generally without legal recognition because they do not meet the legal requirements, such as the initial minimum deposit of CFAF 300 000 in a bank account.

23. **Marketing system.** The private sector in Guinea-Bissau has a very limited capacity to respond to the marketing needs of agricultural producers. National traders lack the financial and logistical capacity and know-how to export locally produced agricultural commodities to neighbouring countries. Other constraints include poor transport infrastructure and payment of high illegal taxes to border authorities. Therefore, any strategy designed to promote cash crops and surplus food crop production should be coupled with the creation of viable market conditions.

24. The lack of rural infrastructure, particularly roads and warehouses, is a major bottleneck. The poor transportation network, particularly in the southern and south-eastern regions where agricultural potential is considerable, prevents market integration and contributes to high transaction costs. The lack of adapted warehouses hampers the conservation of perishable products and makes it difficult to supply markets when demand is high. As a result, prices vary widely over space and time. These shortcomings can be overcome by strengthening local community organizations, designing a market information system, maintaining and constructing feeder roads and warehouses, promoting linkages between smallholders and market-oriented stakeholders, such as commercial farmers and traders.

25. **Environment and natural resources.** With approximately 80% of the population residing in the coastal zones, pressure on coastal and marine resources is increasing. Areas of concern include salinization of rice fields, deforestation, bush fires and wildlife depletion, over-fishing, destruction of mangroves and loss of biodiversity along the coast. The Department of Environment is preparing an Environmental Action Plan, with support from the United Nations Development Programme (UNDP) and the United Nations Sudano-Sahelian Office, and a National Biodiversity Strategy and Action Plan, with support from UNDP and the Global Environment Facility (GEF).

C. Rural Poverty

26. **Poverty profile.** The 2001 *Human Development Report* shows a Human Development Index of 0.339, ranking Guinea-Bissau 169th among 174 countries surveyed in 2000. Several indicators place



Guinea-Bissau in a very unfavourable position compared to other countries of the subregion, in particular with regard to life expectancy at birth (44 years vs. 47 for sub-Saharan Africa) and adult illiteracy rate (62% vs. 38% for sub-Saharan Africa). Public investment, as a percentage of GDP, has been very low since the early 1990s following macroeconomic reforms and civil unrest. As a result, the health and education sectors have deteriorated markedly and poverty has worsened over the years. The last poverty assessment of 1994 revealed that 88% of the population subsisted with less than USD 1 per day and 26% lived in extreme poverty. About 85% of the poor were living in the three rural zones of the north, east and south. Poverty is thus overwhelmingly a rural phenomenon.

27. Among the rural population, agriculture is the most important source of income for the poor, accounting for 64.0% of total income for the core poor, 47.2% for the moderate poor and 36.9% for the non-poor. Nonetheless, wage employment is also an important source of income for rural poor households. Among the poor, the incidence of poverty is higher in households in which the head has more than one wife. The rural poor live in predominantly traditional semi-permanent housing with the river or lake, or in a few cases, traditional wells as their main source of potable water. Electricity is non-existent in these households. Close to 20% of them have no source of lighting.

28. **HIV/AIDS** has been worsening over the years. The prevalence rate increased from 2.5% in the mid-1990s to 8-10% in 2000 because of increasing promiscuity, prostitution, destruction of health services and infrastructure, and the halt in health education and prevention. According to a survey carried out by the United Nations Children's Fund and WFP in 2000, only 36% of women in the 12-49 age range in rural areas had ever heard of HIV/AIDS. And among these, only 12% were aware of basic forms of prevention.

29. **Nutritional status.** The intake of proteins is estimated at 47 g per day per capita in Guinea-Bissau, the lowest of all WAEMU countries where the average is 59 g per day per capita. Over 30% of children under 5 years suffer from malnutrition, while 40% of adults are in a situation of chronic food deficiency. In the north, certain types of anaemia have an endemic character as a result of malnutrition. These extremely high levels of malnutrition are caused by inadequate availability of and access to food, insufficient nutritional intake and insanitary living conditions of the poor.

30. In some regions, cereal banks are used as a strategy to cope with food insecurity. These cereal banks are warehouses where rice from rice producers during harvest and threshing periods (from December to March), and other produce such as palm oil, groundnuts and beans, are bought and stocked. In severely rice-deficit periods (July to September), the women's associations that manage the 'banks' may sell the stocked rice either for cash or on credit at interest rates up to 50%. The credit is repaid in kind after the next harvest.

D. Constraints and Opportunities for Rural Poverty Reduction

31. The rural poor are disadvantaged in virtually all aspects of human resource development, be it in health, nutrition, education or training. Shortages of basic village health posts and urban bias in basic health care delivery limit access to basic health facilities in rural areas. As a result, the rural poor are physically vulnerable, which contributes to low productivity. In addition, educational performance is low and school attendance is limited, as children are needed very often to help in agricultural activities. As a result of poor human development, productivity is often low. Low productivity also stems from poor access to land, technology, support services and credit.

E. National Strategy for Rural Poverty Reduction

32. After the peace agreement, the Government created the Ministry of Social Solidarity, Employment and Poverty Alleviation (MSSEPA) to coordinate all government interventions aimed at combating poverty. The MSSEPA has been designated to oversee the preparation of the Interim National Poverty Reduction Strategy Paper (I-NPRSP). The I-NPRSP was approved in October 2000



and led to a consultation process that brought together the Government, civil society and donors, in order to adopt the poverty reduction strategy.

33. The I-NPRSP is based on the premise that poverty in Guinea-Bissau is the result of inadequate use of its natural and human resources, restricting employment and income opportunities. The national food shortage is considered a typical manifestation of this situation. Therefore, measures are required to improve resource allocation. In response, the Government has designed a four-pronged strategy, including: (i) creating conditions for rapid and sustainable growth; (ii) increasing access to essential social goods and services; (iii) implementing programmes to mitigate poverty; and (iv) good governance. The strategy is in line with the key reforms and objectives to be achieved before the Debt Initiative completion point. Education and health are priority sectors. In education, the implementation of an action plan that aims to increase the gross primary school enrolment ratio is envisaged.

34. The Poverty Reduction Strategy is closely related to the new agricultural policy outlined in the final version of the LPDA of April 2002. The Government aims to achieve a double-digit growth rate in agriculture in order to enhance rural income. The LPDA outlines four strategic objectives, to (i) improve food security, (ii) enhance and diversify agricultural production, (iii) ensure rational natural resource management, and (iv) improve rural living conditions through better social services. Key issues in this strategy are improved rice cultivation, enhanced livestock productivity, increased competitiveness of agricultural exports, and higher value added in horticulture and the cashew subsectors.

35. The Government has assigned the public sector with the role of facilitating private sector development, rather than crowding out the productive sector. This new task implies a fundamental shift from its historic role of provider of services and goods and will require additional reforms in public services and capacity-building.

III. LESSONS FROM IFAD EXPERIENCE

A. Previous IFAD Operations in Guinea-Bissau

36. IFAD intervention in Guinea-Bissau has been limited to two projects. The Tombali Rice Development Project was approved by the Executive Board in April 1983, the project started in July 1985 and lasted until June 1993. It aimed to increase rice production in the Tombali region (south-east of the country) through the rehabilitation of rice fields, improvement of water management schemes, introduction of better production techniques, and rehabilitation of road and harbour infrastructure. The mid-term review concluded that the impact on productivity and yield was insignificant, and recommended reorienting the intervention to smaller dams and strengthening extension services, coupled with input supply, and focusing on a well designed seed programme. The project was closed in 1993, following misuse of funds and the lack of counterpart funds.

37. The Rural Incentives Programme lasted from October 1987 to December 1993. Its main objective was to support supply of imported inputs to smallholders through their associations. A mid-term review shifted the focus of this project from input importation to capacity-building and training of the associations and their members. The revised project also launched credit activities on a pilot scale. The project was prematurely closed in 1993 because of lack of counterpart funds.

38. In December 1995, IFAD provided a grant of USD 75 500 under the NGO/Extended Cooperation Programme (ECP) to the local NGO, Amilcar Cabral Foundation for Solidarity in Development. The purpose of the grant was to help IFAD maintain an active presence among its target groups in the country, while the arrears issue was being settled and a new investment programme was being developed. It enabled IFAD to continue some activities, particularly in the Tombali region, and to test new approaches. Under this grant, support was provided through a series



of pilot participatory village-based land management activities (*gestion des terroirs*), rural extension/animation and the promotion of rural associations through research-action-training.

39. In November 2002, IFAD prepared a Post-Conflict Assistance Grant Programme amounting to USD 250 000, financed by the Italian Trust Fund. The purpose of this one-year grant is to (i) reintegrate farm populations (with the emphasis on vulnerable women and youth) into their communities; (ii) facilitate the resumption of agricultural production through distribution of essential agricultural inputs (seeds and small pieces of equipment); (iii) strengthen the development planning and logistical capacity of indigenous NGOs; and (iv) facilitate reactivation of the IFAD loan portfolio.

B. Lessons from IFAD's Experience in Guinea-Bissau

40. A number of lessons can be drawn from IFAD's experience in Guinea-Bissau and they can be summarized as follows:

- counterpart funds require careful and realistic assessment of the borrower's capacity to meet its obligations in order to avoid frequent suspensions and disruptions of project activities;
- project management needs to be monitored and scrutinized thoroughly so as to prevent misuse of project funds;
- project design should not overwhelm project management units with direct implementation of project activities;
- project design needs to be realistic with respect to the institutional capacities to carry out the activities;
- project implementation should be flexible enough to redirect project components when they are not achieving the desired impact; and
- project design should empower local institutions to promote community-based development and implementation.

41. As IFAD's experience in Guinea-Bissau is limited, it needs to build its future activities on its rich experience in other countries, particularly those that have undergone conflict. Key lessons from those countries are summarized below.

- Project design should promote performance-based contracts with the private sector, local institutions and NGOs for most activities while project management devotes itself to coordination, contract management and monitoring and evaluation (M&E) activities. Performance-based contracting appears to lead to greater project responsiveness.
- Flexibility in project design is required in order to respond to emerging demands and adapt rapidly to a changing environment, as the socioeconomic situation in a post-war context remains fragile and potentially volatile, and unexpected constraints and opportunities may arise.
- Ambitious targets tend to frustrate project implementers and beneficiaries as the pressure builds up to jumpstart project activities, compromising good preparation and sensitization of the target groups.
- In a post-conflict environment, demand for quick delivery of project outputs becomes more pressing and expectations are very high. Therefore, involvement of communities in setting priorities and implementation through contractual relationships is key to creating ownership and commitment.
- Grants, supplementary funds and loans need to be combined in a post-conflict context, while partnerships and cooperation with other donors are crucial for maximizing impact.
- Initial operations in a post-crisis situation should focus on the rapid restoration of productive capacity. Priority activities include the rehabilitation of key damaged economic and social infrastructure, supply of agricultural and veterinary inputs and tools, facilitating input and output marketing, and supporting income-generating activities. This should be developed through a participatory process. Market-driven approaches work best in this context.



- Income-generating activities should not be restricted to on-farm activities. They should be rural-based and should favour youth and unemployed women. This is central to the success of securing sustainable resettlement of youth and internally displaced persons. The role of women in agriculture and off-farm is not sufficiently recognized.
- HIV/AIDS is a development issue that must be addressed in rural areas as an integral part of the multisectoral development approach. IFAD projects have ignored integrating this activity within the funded packages, increasing the risks of erosion of poverty reduction gains for the targeted beneficiaries.

42. While IFAD projects/programmes for post-crisis recovery can be financed through loans, given the amount of time it takes to get a project funded, establishing a well-designed grant programme is deemed crucial in the meantime. Fortunately, IFAD has several grant programmes, which could be mobilized rapidly for post-crisis interventions in Guinea-Bissau, including NGO/ECP grants and supplementary funds from both bilateral and multilateral donors.

43. **Bridging the relief-to-development gap with appropriate mix of grants and loans.** While there has been increased attention within the international community to assist the transition from relief to development in countries affected by crisis, there is often a major gap in terms of planning, time and resources between phasing out of humanitarian assistance and reactivation of development interventions. In countries affected by warfare, there is a special risk that citizens and politicians fail to discern a peace dividend, encouraging a return to conflict, as the underlying causes of the conflict are not addressed. There is a high risk that development assistance may be slow in arriving and may be insufficient to meet the needs of the country.

IV. STRATEGIC FRAMEWORK FOR IFAD

A. IFAD's Strategic Niche and Proposed Thrusts

44. The four strategic objectives of IFAD interventions, as described in IFAD's Regional Strategy for West and Central Africa, are to: (i) strengthen the capacity of the rural poor and their organizations, and improve the pro-poor focus of rural development policies and institutions; (ii) raise agricultural and natural resource productivity and improve access to technology; (iii) increase rural incomes through improved access to financial capital and markets; and (iv) reduce vulnerability to major threats to rural livelihoods including conflict and AIDS. The essential cross-cutting approaches in design and implementation are: (a) resource management by women; (b) enhanced participation; and (c) building on indigenous knowledge.

45. To address Guinea-Bissau's post-conflict situation and widespread poverty, the adoption of a Post-Conflict Strategy is proposed for future IFAD interventions. These interventions will pursue three overall objectives: (i) facilitate the transition to sustainable peace with the inclusion of interventions aimed primarily at bridging the relief-to-development gap, (ii) support economic development, and (iii) support social development. The intervention strategy will be developed along the lines described below.

- **Bridging the relief-to-development gap** by restoring productive capacities and the rehabilitation of infrastructure.
- **Mixing grants, supplementary funds and loans** in the post-conflict context. IFAD operations will seek as much as possible to complement other donor resources and interventions. Donor coordination will be a crucial element in IFAD strategy.
- **Achieving food security**; the objective will be to provide support to rural poor households so as to help them produce enough food to meet their food security needs and sell food surpluses to generate additional income.



- **Empowering rural communities** including smallholder farmers, women and youth through capacity-building. This will entail consolidating grass-roots organizations and building effective institutions at the local level and gradually at the national level, ultimately increasing their participation in the planning and implementation of development programmes.

46. **Targeting.** In terms of area and sectoral coverage, IFAD's strategy will be twofold: (i) operations using an area-based integrated approach (combining economic, social and community development activities); and (ii) subsector activities according to target group needs and IFAD's comparative advantage in areas such as natural resource management.

47. IFAD will target the following groups: (i) rural households that have lost their basic productive assets such as seeds, small agricultural tools and livestock; (ii) large families with numerous malnourished children, orphans and elderly dependants; (iii) newly settled groups, women who are heads of households, especially those with young children; and (iv) rural poor youth currently incapable of undertaking agricultural and off-farm activities but with the potential to do so.

48. Particular attention needs to be given to ex-combatants as a beneficiary group because their integration is a necessary condition for social, military and political stability. It is necessary to distinguish between those who fought during the liberation war and those who took part in the recent war.

49. The proposed project will target the Tombali region, also the site of the first IFAD-funded project. This region is one of the poorest in the country in terms of economic and social infrastructure. Its human and social indicators are also among the worst, making the region an ideal candidate for a newly funded IFAD project.

B. Main Opportunities for Project Interventions and Innovation

50. Given the above discussions, future IFAD-designed projects will focus on the following priority areas.

51. **Bridging the relief-to-development gap** through the following activities:

- **Enhancing food production and promoting income-generating activities:** This will focus on creating the necessary conditions for expanding food production, particularly rice and coarse grains (maize, millet and sorghum), and livestock (small ruminants and poultry) to improve food security. Expanding food production will entail providing free seeds and small pieces of equipment to the needy target group. Thanks to an Italian grant of USD 250 000 this distribution was due to start in selected zones in early 2003. As this grant is in no way sufficient to meet the overwhelming needs, a project will be prepared to create an enabling environment so that farmers can purchase the required inputs for increasing food production. Production increases will also necessitate rehabilitating damaged small-scale irrigation infrastructure and providing technical support to smallholders through experienced NGOs and rural organizations. To maximize its impact, this activity will be closely coordinated with other donor-funded interventions by the World Bank, WFP, China and others.
- **Rehabilitating and building basic social and economic infrastructure:** This activity will focus on the rehabilitation and construction of economic and social infrastructure such as potable water points, and basic primary health and education facilities. It will also focus on HIV/AIDS in the target area. In addition, it will aim to rehabilitate and construct feeder roads, facilitate commodity transport from the production zones to the collection points, and reduce both transport and transaction costs. This activity will require cooperation with other donors, particularly the European Union (EU), AfDB, the World Bank and Portugal.
- **Empowerment of smallholder farmers, women, youth and local communities** by consolidating existing grass-roots organizations and helping to build effective rural



organizations at the local level. Eventually, these organizations will be gradually built at the national level. This process will ultimately increase the participation of rural communities in the planning and implementation of development programmes. In this regard, future IFAD activities will adopt a partnership approach and direct the decision-making process towards local communities, grass-roots organizations and NGOs. The empowerment of the poor should ensure that project management and financial resources are used to meet their needs. This could be achieved using community-based approaches. During a first phase, NGOs could provide the interface between project management and these associations. Women's empowerment and capacity-building will be the key challenge. Given the fact that rural men and women engage in different activities and do not share the same level of access to social services and productive assets, gender and social dimension assessments should be taken into account at an earlier stage, particularly during project design. These aspects also need to be monitored during project implementation.

C. Outreach and Partnership Possibilities with NGOs and the Private Sector

52. Most civil-society organizations in Guinea-Bissau are still recovering from the recent conflict. Some have immediately embarked on the design and preparation of post-conflict strategies. Their main problem is not a lack of project ideas, but availability of human and financial resources. Some NGOs assist in setting up microcredit schemes and agricultural activities by channelling funds from international donors to community-based organizations. Despite recent attempts, no NGO coordination structure exists. IFAD's approach is based on using NGOs as partners for project implementation. While some of the NGOs offer reasonable capacity and skills in rural development, others are weak. The amount of national NGOs with the capacity to implement small development projects appears very limited. As such, they will require training and capacity-building to optimize IFAD's cooperation.

53. The informal sector is, albeit in a limited manner, the main provider of services in rural areas. This informal economy and its local institutions have been, and will continue to be, the main source of livelihood for the poor, especially the rural poor in Guinea-Bissau. In this context, sustainable impact will be achieved by building on the potential of the existing informal sector through a gradual systematic approach to scale up their activities.

D. Opportunities for Strategic Linkages with Other Donors and Institutions

54. IFAD's strategy will be based on strategic linkages with other bilateral and multilateral donors in order to maximize IFAD's contribution to poverty reduction in Guinea-Bissau. In this vein, IFAD has been consulting with the donor community and contact has been established with key donors to identify areas for collaboration.

55. **World Bank.** In 1999, the Government of Guinea-Bissau requested a loan of USD 25 million from the International Development Association (IDA) to finance the Rehabilitation and Recovery Credit Programme. This programme aims to support the National Reconstruction and Reconciliation Programme (NRRP), which emphasizes the demobilization, reinsertion and reintegration of ex-combatants singled out as essential for the country's long-term stability. The NRRP aims to support peace-building, promote the revival of the economy and encourage the pursuit of reforms. It focuses on relaunching critical public services and revitalizing the private sector. Public resource management will also be enhanced under the NRRP, as will the business environment for the private sector. This programme represents an area of potential collaboration between IFAD and IDA.

56. The World Bank has also designed the Private Sector Rehabilitation and Development Project, which was approved on 26 March 2002. The project objective is to support private sector investment, competitiveness and participation in the economy. In addition, the World Bank is preparing the Guinea-Bissau Coastal and Biodiversity Management Project. The cost of the project is estimated at USD 9 million, of which GEF will fund USD 5 million. The project comprises six components of



which an important element is the establishment of environmental and social regulatory safeguards. This could also be a potential area of collaboration between IDA and IFAD.

57. The **African Development Bank** is currently implementing the following projects: Rehabilitation of Road Infrastructure; Institutional Support to the MALFH; and Support to the Fishing Sector. The combined cost of AfDB's operations, which appear to be complementary to future IFAD interventions, amounts to about USD 16.6 million.

58. The **United Nations Development Programme**, the leading United Nations agency in Guinea-Bissau, has focused its efforts on improving governance and developing democracy. It has expressed interest in allocating resources to support the implementation of LPDA, designed by the Government, as well as an activity aimed at improving environmental management and strengthening grass-roots organizations.

59. The **World Food Programme**. Since April 2002, WFP has been implementing the relief and recovery operation entitled Food Aid for Rehabilitation in Guinea-Bissau. This operation will last until June 2003 and aims to reach 116 00 beneficiaries by undertaking rural rehabilitation. It will achieve this through: (i) access to services in vulnerable areas through construction/rehabilitation of basic infrastructure; (ii) increased food availability through agricultural production and land recovery; (iii) mitigation of the effects of natural disasters through environmental protection; and (iv) assisting the education sector. This final education component specifically seeks: (a) improvement in school attendance, particularly of girls; (b) reduction in drop-out rates; (c) reduction in illiteracy rate among adults, particularly women; and (d) reduction in the youth unemployment rate through promotion of vocational training.

60. The **Food and Agricultural Organization of the United Nations (FAO)** is undertaking the following projects: (i) Pilot Project for Sustainable Socio-Economic Development in Regions Free of Onchocercose; (ii) Special Programme for Food Security, to be cofinanced with the West African Development Bank (BOAD). Project cost is estimated at about USD 4 million and BOAD is seeking cofinancing to implement it; (iii) Rational Use of Forestry (Coal project); and (iv) Production, Multiplication and Marketing of Seeds. The elaboration of a medium and long-term research programme is under discussion.

61. **European Union**. A Cooperation Strategy and National Indicative Programme with Guinea-Bissau has been approved by the European Commission. About 81 million euro (EUR) (USD 86.8 million equivalent) will be made available for: (i) rehabilitation of infrastructure EUR 40 million (USD 42.9 million equivalent); (ii) support to the consolidation of democracy and the democratic process EUR 17 million (USD 18.2 million equivalent); and (iii) other interventions EUR 24 million (USD 25.7 million equivalent). In infrastructure, priority will be given to maintenance, rehabilitation of national and rural feeder roads, particularly in agricultural production zones, and consolidation of a private maintenance service. As access is a precondition for successful IFAD interventions, coordination between the EU and IFAD is required in this area.

62. **Portugal** accounts for over 70% of foreign direct investment in Guinea-Bissau and is an important trade partner. In the Donor Round Table for Guinea-Bissau, held in Geneva in 1999, Portugal positioned itself as the first bilateral donor with a USD 24.5 million rehabilitation programme for the post-conflict era. The Cooperation Programme between Portugal and Guinea-Bissau (PIC 2000-2002) has an indicative budget of USD 40 million for the following areas: human capacity-building and culture (12%), health and social sector (7%), economic sector development (44%), institutional capacity-building (22%), inter-municipal cooperation (1%), and contribution to multilateral agencies and financial cooperation (14%).

63. Portugal has funded two economic sector projects: Centro Experimental do Quebo and Natural Park Lagoons of Cufada. The first project focuses on the development of production and marketing chains of fruits and vegetables. The project is particularly interesting for IFAD on the grounds that useful lessons can be drawn from it. The second project concentrates on natural resource conservation and livelihood improvement.



E. Areas for Policy Dialogue

64. Through policy dialogue with the Government, IFAD will be in a position to express its views and have an impact on the policy framework. Potential areas for policy dialogue are outlined in the following paragraphs.

65. **Poverty reduction strategy.** The Government is presently engaged in preparing the final draft of the NPRSP. It intends to submit the NPRSP to a consultation process, providing IFAD with an opportunity to discuss with the Government how it can bring rural poverty to the forefront of its concerns. It is also a way for IFAD to fine-tune its long-term investment strategy and coordinate with other donors.

66. **Agricultural development planning.** The implementation of the LPDA and the ongoing restructuring of MALFH have raised issues related to IFAD's interventions, such as the divestiture process, the restructuring and institutional weakness of MALFH, decentralization and regional development planning, land tenure policy, rural microfinance and taxation of agricultural products. IFAD will pursue a policy dialogue with MALFH, civil society and donors to ensure that the interests of the rural poor are adequately taken into account.

67. The **integration process in the WAEMU agricultural market** has important consequences for agricultural policy in Guinea-Bissau. A thorough analysis of Guinea-Bissau's comparative advantage in agriculture needs to be undertaken to lay the foundation for competitive private sector-led agriculture. The results of the analysis should be used in feasibility studies of investments in the agricultural sector. It is important for IFAD to be involved in this analysis so it can orient its future interventions towards viable activities. The prerequisite is a permanent dialogue among IFAD, the Government, civil society and the donor community.

F. Action Areas for Improving Portfolio Management

68. From IFAD's experience in Guinea-Bissau, it is evident that an open dialogue needs to be maintained with the Government on project formulation and management. This dialogue should take into account the weak institutional and management capacity of the country. Owing to this weak capacity, steps should be taken by IFAD to share its experience with other donors. More importantly, IFAD needs to explore the possibility of hiring international experts to help manage IFAD-funded projects. The need for international expertise in financial management cannot be overemphasized, considering previous financial mismanagement in IFAD-funded projects. It is also important that IFAD take steps to make project components simple and flexible so that project management units are not overwhelmed with complex component and activities.

G. Tentative Lending Framework and Rolling Programme of Work

69. IFAD's operations in Guinea-Bissau have totalled about USD 13.5 million since April 1983. This low level of activity is a result of the low absorption capacity of the country stemming from the weak institutional environment, and its political and social instability. Following the devastating war, the Government's immediate priority was to support peace-building and complete the processing of the country's access to the debt relief package, which included the successful implementation of the agreed poverty reduction strategy. The Government is determined to focus its efforts on relaunching critical basic services and infrastructure in agriculture and social services (health and education). IFAD's tentative lending programme will be geared towards achieving this goal. In this context, agriculture and rural development will play a critical role in contributing to the peace process.

70. IFAD will adopt a medium-term approach consistent with government objectives and IFAD's regional strategy. Given a rural population of 0.8 million people and the limited institutional absorption capacity of Guinea-Bissau, IFAD's commitment over the next three to five years will amount to about USD 5-6 million for one project.



71. In light of the current situation in Guinea-Bissau, it is suggested that IFAD provide assistance by designing a rural rehabilitation and community development project. The main objective of the proposed project is to provide support to rural poor households to facilitate their reintegration into the rural community and help them improve their food security through raised productivity. Achieving this objective requires: (i) enabling the rural poor to satisfy their immediate survival needs and reconstitute their resources thereby establishing an enabling environment to proceed with their normal activities; (ii) enhancing food production to improve food security in rural areas; (iii) rehabilitating social and economic infrastructure (health clinics, schools and roads) in rural areas; (iv) strengthening the capacity of rural organizations to undertake community development; and (v) creating the conditions for an efficient marketing system so as to lower transaction costs and enable diversification.

72. Given the post-conflict situation of Guinea-Bissau, IFAD has prepared a grant that will be channelled to a local NGO. This is a first step in reactivating the loan portfolio, bridging the relief-to-development gap and to restoring productive capacity. Other grants will be used to help rural women improve food and vegetable marketing systems to enhance their earning capacity. Additional grants will be sought for rural organization capacity-building in selected regions. Moreover, a grant programme will be designed to finance a pilot microfinance scheme. The results of these activities may be used as an input to a larger and structured project. Local NGOs could be used to test a new rural development approach based on community participation in rural activities.

73. IFAD may rely on organizations that are presently active in the country. Key among these organizations is FAO, which has developed experience in small grant management through its Special Food Security Programme. FAO could assist with the introduction of community-based planning and development approaches in selected regions of the country.

APPENDIX I

COUNTRY DATA
GUINEA-BISSAU

Land area (km² thousand) 2001 1/	36.1	GNI per capita (USD) 2001 4/	160
Total population (million) 2001 4/	1.2	Average annual real rate of growth of GDP per capita, 1990-00 2/	-2.2
Population density (people per km²) 1997 1/	43	Average annual rate of inflation, 1990-98 2/	41.8
Local currency <i>Communauté financière africaine franc</i>	CFAF	Exchange rate: USD 1 = CFAF	650
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1994-00 1/	2.2	GDP (USD million) 2001 4/	205.2
Crude birth rate (per thousand people) 1998 1/	41	Average annual rate of growth of GDP 1/ 1980-90	4.0
Crude death rate (per thousand people) 1998 1/	21	1990-98	1.1
Infant mortality rate (per thousand live births) 2000 1/	126		
Life expectancy at birth (years) 1998 1/	44	Sectoral distribution of GDP, 2001 1/	
Number of rural poor (million) (approximate) 1/	n.a.	% agriculture	64.3
Poor as % of total rural population 1/	n.a.	% industry	12.0
Total labor force (million) 1998 1/	0.55	% manufacturing	9.9
Female labor force as % of total, 1998 1/	40	% services	23.7
Education		Private consumption, 2000 1/	95.2
Primary school gross enrolment (% of relevant age group) 1997 1/	62 a/	General government consumption (as % of GDP)	13.6
Adult literacy rate (% age 15 and above) 1998 3/	37	Private consumption (as % of GDP)	100
Nutrition		Gross domestic savings (as % of GDP)	-9
Daily calorie supply per capita, 1997 3/	2 430	Balance of Payments (USD million)	
Prevalence of child malnutrition (height for age % of children under 5) 1992-98 1/	n.a.	Merchandise and service exports, 2000 1/	75.
Prevalence of child malnutrition (weight for age % of children under 5) 1992-98 1/	n.a.	Merchandise and service imports, 2000 1/	125.
Health		Balance of merchandise and service trade	-50.
Health expenditure, total (as % of GDP) 1990-98 1/	n.a.	Current account balances (USD million)	
Physicians (per thousand people) 1990-98 1/	0.18	before official transfers, 1998 1/	-38 a/
Percentage population without access to safe water 1990-98 3/	57	after official transfers, 1998 1/	-6 a/
Percentage population without access to health services 1981-93 3/	36	Foreign direct investment, 1998 1/	0.5
Percentage population without access to sanitation 1990-98 3/	54	Government Finance	
Agriculture and Food		Overall budget surplus/deficit (including grants) (as % of GDP) 1997 1/	n.a.
Food imports as percentage of total merchandise imports 1998 1/	n.a.	Total expenditure (% of GDP) 1997 1/	n.a.
Fertilizer consumption (hundreds of grams per ha of arable land) 1995-97 1/	10	Total external debt (USD million) 1998 1/	964
Food production index (1989-91=100) 1996-98 1/	117.1	Present value of debt (as % of GNP) 1998 1/	363
Land Use		Total debt service (% of exports of goods and services) 1998 1/	25.6
Arable land as % of land area, 1997 1/	10.7	Nominal lending rate of banks, 1998 1/	51.8 a/
Forest area (km ² thousand) 1995 1/	23	Nominal deposit rate of banks, 1998 1/	4.6 a/
Forest area as % of total land area, 1995 1/	82.1		
Irrigated land as % of cropland, 1995-97 1/	4.9		

n.a. Not available.

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Report*, 20002/ World Bank, *Atlas*, 20003/ UNDP, *Human Development Report*, 20004/ World Bank, *World Development Indicators database*, 2002

LOGICAL FRAMEWORK

	Narrative Summary	Objectively Verifiable Indicators	Sources of Verification	Assumptions
GOAL	To enhance income and reduce poverty and household food insecurity in rural areas	<p>Percentage increase in rural per capita income</p> <p>Percentage reduction in number of rural households below the poverty line</p> <p>Number of employed rural youth and women</p>	<p>Impact assessment household surveys and specific poverty studies</p> <p>Annual progress report</p> <p>Statistics</p>	<p>Conflict does not resume and peace is sustainable</p> <p>Commitment by all stakeholders to participate in peace-building efforts</p>
PURPOSE	To restore the productive capacity of rural communities in Tombali and maintain peace in a sustainable manner	<p>Food production has increased</p> <p>Number of employment opportunities generated for rural women and youth</p>	<p>Quarterly reports</p> <p>Annual review workshops by beneficiaries</p> <p>Programme supervision reports</p>	<p>Conflict does not resume and peace is sustainable</p> <p>Commitment of all stakeholders to participate in peace-building efforts</p>
OUTPUTS	<p>To distribute freely agricultural inputs (seeds and small equipment)</p> <p>To improve social and economic infrastructure</p> <p>To strengthen local capacity and farmers' organizations, especially those of women and youth</p>	<p>Number of smallholders who received inputs</p> <p>Quantity of input distributed to smallholders</p> <p>Number of rural roads has increased and transport cost has declined</p> <p>Number of potable water points, and education and health facilities rehabilitated and built</p> <p>Number of smallholders, women and youth who participated in training</p> <p>Number of rural organizations created, structured and organized</p>	<p>Quarterly reports, supervision and evaluation reports</p> <p>Quarterly, supervision and evaluation reports</p> <p>Quarterly, supervision and evaluation reports</p>	<p>Conflict does not resume and peace is sustainable</p> <p>Commitment of all stakeholders to participate in peace-building efforts.</p> <p>Cofinancing with other donors secured and presence of service providers in the region</p> <p>Target group is well identified and local leaders buy the training idea</p>



RURAL POVERTY AND AGRICULTURAL SECTOR ISSUES

Priority Area	Major Issues	Actions Needed
Agricultural institutions and policies	<ul style="list-style-type: none"> • MALFH weak in policy design and implementation • Weak capacity of central and regional services • Lack of information and data collection systems • Lack of an integrated national policy on research, extension and training 	<ul style="list-style-type: none"> • Restructure MALFH by redefining its mission, reducing and redeploying human resources, decentralizing services and providing adequate budget • Rehabilitate existing MALFH infrastructure and equipment • Design and implement a national research, extension and training policy by involving other donor agencies
Crop subsector	<ul style="list-style-type: none"> • Weak productive capacity • Insufficient production of cereals, particularly rice • Low labour and land productivity, and outdated technology • Heavy dependence on a single cash crop (cashew nuts) • Limited conservation and processing activities • Mainly geared towards subsistence and extremely weak marketing channels 	<ul style="list-style-type: none"> • Restore productive capacity (seeds, equipment, fertilizer) • Rehabilitate degraded salt water <i>bolanhas</i> and use more mangroves for rice cultivation • Improve horticultural and crop production practices to enhance productivity • Promote domestic value-added activities, particularly conservation and processing techniques • Enhance linkage between extension and research activities, and farmers • Enhance marketing activities
Forestry	<ul style="list-style-type: none"> • No up-to-date knowledge of forestry resources • High pressure on forestry resources due to itinerant agriculture, explosive growth of cashew plantations, fuel wood demand, coal production and logging • Lack of integrated management, surveillance and control of forestry resources 	<ul style="list-style-type: none"> • National forestry inventory • Design a national forestry policy and regulation, and reinforce regulation • Promote community-based management of forestry resources • Promote greater value-added activities • Promote the creation of national parks
Livestock	<ul style="list-style-type: none"> • Very weak sanitary control of livestock herds • Herd transhumance in dry season due to shortage of natural pasture and water • Low livestock productivity due to lack of feed and water, local breeds and inbreeding 	<ul style="list-style-type: none"> • Improve surveillance and epidemic control • Organize vaccination campaigns • Stimulate improved production of poultry, pork and small ruminants (through training and input supply) • Increase number and availability of water points in the eastern region and the main transhumance corridors;
Artisanal fisheries	<ul style="list-style-type: none"> • Traditional fishing and processing practices • Absence of basic storage and processing infrastructure • Excessive and uncontrolled use of water resources by fishermen of neighbouring countries 	<ul style="list-style-type: none"> • Encourage, improve and diversify existing fishery techniques • Increase input and tool availability • Improve processing and marketing system (women) • Improve control over water resources



Priority Area	Major Issues	Actions Needed
Rural infrastructure	<ul style="list-style-type: none"> Poor road network due to lack of maintenance and bridges, especially in the most productive regions of the south and north-west Limited use of river transport system 	<ul style="list-style-type: none"> Design a thorough long-term investment programme for the transport infrastructure (road and river) to be included in the Public Investment Programme Define and develop mechanisms to ensure community-managed maintenance systems
Social infrastructure and services	<ul style="list-style-type: none"> Low human development indicators Very high morbidity rate caused by malaria, diarrhoeic illnesses, poor nutrition and acute respiratory infections Steady increase of AIDS due to resource constraints for awareness campaigns Weak social infrastructure and human capacity Poor management of educational system with inconsistent allocation of budgets among educational levels Lack of policy measures for discrimination against rural areas, particularly discrimination against girls Low primary school enrolment and attendance 	<ul style="list-style-type: none"> Shift public resources towards the rural social and education sectors, as suggested by the I-NPRSP Increase awareness campaigns on better nutrition and risk of contracting AIDS Design a national AIDS policy following recommendations of the National Conference on Supporting and Strengthening the Fight against AIDS Rehabilitate existing social infrastructure focusing on primary schools, rural clinics, and potable water supply systems Strengthen human capacity in education and health sectors
Formal credit and rural finance	<ul style="list-style-type: none"> Commercial banks absent in agricultural sector, except in extending credit to some exporters of cashew nuts Small households have a very weak self-financing capacity Prevalence of traditional microfinance structures with very rudimentary schemes, sometimes strictly linked to the cashew nut production-rice consumption cycle Only about 30 microfinance institutions are created and supported by NGOs 	<ul style="list-style-type: none"> Organize an open debate (under the form of a workshop) on microfinance, involving all stakeholders from the Government, NGOs and donor agencies Formulate a microfinance strategy and clarify the role of the different stakeholders Implement a pilot scheme in rural savings-credit to test a new approach (IFAD could lead this proposed initiative) Expand the network of microfinance institutions Train staff of microfinance organizations
Marketing of rural products	<ul style="list-style-type: none"> No financial capacity or know-how to export local agricultural commodities to neighbouring countries Lack of credit Lack of information on prices and market conditions Poor rural infrastructure (roads and warehouses) High transaction costs High illegal taxes 	<ul style="list-style-type: none"> Provide support to the private sector (training, access to credit, capacity-building) Encourage community-based organizations to market horticultural and agricultural commodities Rehabilitate existing market infrastructure or build new infrastructure Establish a viable market information system Combat illegal taxes
Community-based organizations	<ul style="list-style-type: none"> Most rural organizations are not sustainable because their creation is not legally valid Grass-roots organizations are often spread too thin (in terms of production, trade, service providers, social aspects) and have weak capacity Associations involved in economic activities lack logistics such as warehouses and trucks, to carry out activities 	<ul style="list-style-type: none"> Exchange experiences of NGOs and development partners in order to identify the best approach to support grass-roots organizations Train managers and staff of community-based organizations according to their needs Create an adapted legal framework for community-based organizations Enhance grass-roots organizations



STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

Institution	Strengths	Weaknesses	Opportunities	Threats
Ministry of Agriculture, Livestock, Forestry and Hunting (MALFH)	<ul style="list-style-type: none"> • MALFH determined to implement the LPDA • Technical staff with accurate vision and knowledge of the country, smallholder and sector needs 	<ul style="list-style-type: none"> • Poor infrastructure • Share in expenditures budget, particularly for capital investments, is declining • No or poor statistical data • Overstaffed with unqualified human resources; only a minority is qualified • Isolated and degraded regional structures • Weak research capacity • Limited coverage of rural areas (in the opinion of rural groups) • Difficulty in mobilizing resources to implement LPDA 	<ul style="list-style-type: none"> • Wide consensus on the objectives and priorities of LPDA • Possibility of strategic alliances and partnership with NGOs • Take advantage of the ongoing restructuring process to adapt the MALFH to a new context 	<ul style="list-style-type: none"> • Dependence on donor funding • Shift of international funds to other sectors • Counterpart funds not available • Departure of best staff members to NGOs and private sector
Ministry of Economy and Finance	<ul style="list-style-type: none"> • Determined to implement the short- and medium-term programmes • Develop new financial management systems • Develop a new procurement management system 	<ul style="list-style-type: none"> • Lack of planning tools and information systems • Insufficient qualified staff 	<ul style="list-style-type: none"> • Debt Initiative and PRGF create basic conditions for stable economic growth 	<ul style="list-style-type: none"> • Difficulty in retaining qualified staff
NGOs (national)	<ul style="list-style-type: none"> • Good knowledge of economic and social needs of local communities • Experience in working with grass-roots organizations • Some experience in microfinance 	<ul style="list-style-type: none"> • Insufficient coverage of national territory • No coordination among NGOs; • No pragmatic legal status (severe barriers to legalization) • Limited resources 	<ul style="list-style-type: none"> • Potential to promote and develop community-based associations • Some NGOs have experience with international donors • Presence of informal microfinance initiatives 	<ul style="list-style-type: none"> • Creation of non-sustainable systems after withdrawing



Institution	Strengths	Weaknesses	Opportunities	Threats
NGOs (international)	<ul style="list-style-type: none"> • NGOs with good technical and financial capacity 	<ul style="list-style-type: none"> • Few organizations involved in rural development • Few international organizations available 	<ul style="list-style-type: none"> • Donors make budgets available (peace dividend) 	<ul style="list-style-type: none"> • Political and social instability
Private sector (national)	<ul style="list-style-type: none"> • Good knowledge of the investment possibilities in the country 	<ul style="list-style-type: none"> • Lack of capital and qualified human resources • Weak investment climate 	<ul style="list-style-type: none"> • International organizations support private sector development 	<ul style="list-style-type: none"> • Social and political instability
Private sector (foreign investors)	<ul style="list-style-type: none"> • Availability of capital and know-how • Knowledge of international markets 	<ul style="list-style-type: none"> • Almost absent in Guinea-Bissau 	<ul style="list-style-type: none"> • International organizations support private sector development 	<ul style="list-style-type: none"> • Social and political instability may jeopardize the investment effort
Village/farmer groups or associations	<ul style="list-style-type: none"> • Tradition of mutual help and group work based on family or clan 	<ul style="list-style-type: none"> • Rural quality of life unattractive due to lack of social infrastructure and income-earning opportunities 	<ul style="list-style-type: none"> • Solidarity structures were created during the war 	<ul style="list-style-type: none"> • Continued migration leading to depopulation of rural areas, particularly of youth.





IFAD'S CORPORATE THRUSTS AS RELATED TO GUINEA-BISSAU

1. Guinea-Bissau has undergone tremendous hardship over the years. It fought a long independence war in the mid-1970s, leaving an indelible imprint on the country and causing widespread poverty. The ensuing 11-month conflict that broke out in June 1998 further destroyed the social and economic fabric of the country. It also deepened poverty through the displacement of the rural population, destruction of productive assets and disruption of markets. The adverse effects of the conflict have left the rural population, particularly the poor, more vulnerable and deprived, which potentially could create the climate for a resumption of conflict.

2. The proposed COSOP is in line with IFAD's Corporate Strategy, focusing on enabling the rural poor to overcome their poverty. To achieve this, IFAD relies on: (i) strengthening the capacity of the rural poor and their organizations; (ii) ensuring equitable access to productive resources and technology; (iii) increasing access to financial services and markets; and (iv) reducing vulnerability to shocks stemming from conflict and natural disasters.

3. IFAD is well positioned to play a catalytic role in Guinea-Bissau. In particular, there is a clear opportunity for IFAD to contribute to poverty reduction and the ongoing peace process. **The proposed project** aims to provide support to rural poor households for their reintegration into the community. Achieving this objective requires: (i) enabling the rural poor to satisfy their immediate survival needs and reconstitute their resources thereby establishing an enabling environment for them to proceed with their normal activities; (ii) enhancing food production to improve food security in rural areas; (iii) rehabilitating social and economic infrastructure (health clinics, schools and roads) in rural areas; (iv) strengthening the capacity of rural organizations to undertake community development; and (v) creating the conditions for an efficient marketing system so as to lower transaction costs and enable diversification.

4. The project could be built around the complementary activities described below.

- **Enhance food production and promote income-generating activities.** This activity aims to create the necessary conditions for expanding food production, particularly rice and coarse grains (maize, millet and sorghum) and livestock (small ruminants and poultry) in order to improve food security. This will entail providing free seeds and small pieces of equipment to the needy target group. This distribution will start in selected zones in early 2003, thanks to an Italian grant of USD 250 000. As this grant is in no way sufficient to meet the overwhelming needs, the project will help create an enabling environment so that farmers can purchase the required inputs for increasing food production, and it will expand the coverage zones. Increasing food production will also necessitate rehabilitating damaged small-scale irrigation infrastructure and providing technical support to smallholders through experienced NGOs and rural organizations. To maximize its impact, this sub-component will work closely with other donor-funded interventions from the World Bank, WFP, China and others.
- **Rehabilitate and build basic social and economic infrastructure.** This activity will focus on the rehabilitation and construction of economic and social infrastructure such as potable water points, and basic primary health and education facilities. It will also focus on AIDS/HIV prevention in the target area. In addition, feeder roads will be rehabilitated and constructed in order to facilitate commodity transport from production zones to collection points, thereby reducing both transport and transaction costs. This component will require cooperation with other donors, particularly the EU, AfDB, the World Bank Portugal and others.



APPENDIX IV

- **Strengthen grass-roots organizations.** This activity will support and strengthen existing valid grass-roots organizations, particularly women's groups. Support could be provided either directly or through selected reputable NGOs.

5. The proposed IFAD intervention will seek as much as possible to collaborate with other ongoing and future donor activities to maximize IFAD's contribution to reconciliation and to building and maintaining peace. Poverty in rural areas can be reduced only if the conditions for long-lasting peace exist in the country.

ACTIVITIES OF OTHER PARTNERS IN DEVELOPMENT – ONGOING AND PLANNED

Donor/Agency	Nature of Project/Programme	Project/ Programme Coverage	Status	Complementary/Synergy Potential with IFAD
European Union	<ul style="list-style-type: none"> Transport infrastructure: construction of João Landim and S. Vicente Bridges and rehabilitation and construction of roads 	<ul style="list-style-type: none"> Countrywide 	<ul style="list-style-type: none"> Under discussion (in the context of the EU cooperation strategy) 	<ul style="list-style-type: none"> Improved accessibility might be considered as a criterion for project location. Strong synergy with IFAD's first project.
	<ul style="list-style-type: none"> Natural resource management 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> Under discussion 	<ul style="list-style-type: none"> Possible in second generation project
	<ul style="list-style-type: none"> Export promotion of mangoes and tropical fruits 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> In preparation (Financing ensured according to MAFH) 	<ul style="list-style-type: none"> Synergy stronger with second generation project.
	<ul style="list-style-type: none"> Rehabilitation of palm tree plantations 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> In preparation (Financing ensured according to MALFH) 	<ul style="list-style-type: none"> Likely synergy with IFAD's proposed intervention.
	<ul style="list-style-type: none"> Unit of support to MALFH 	<ul style="list-style-type: none"> National 	<ul style="list-style-type: none"> Under discussion. Proposed by MALFH 	<ul style="list-style-type: none"> Complementarity possible with IFAD's intervention. Dialogue required to avoid overlapping.
	<ul style="list-style-type: none"> Support to development of livestock 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> In preparation (Financing ensured according to MALFH). 	<ul style="list-style-type: none"> Strong complementarity with IFAD's project.
World Bank	<ul style="list-style-type: none"> Rehabilitation and development of private sector 	<ul style="list-style-type: none"> Countrywide 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Strong complementarity with IFAD's proposed intervention. Complementarity with second generation project.
	<ul style="list-style-type: none"> Guinea-Bissau Coastal and Biodiversity Management Project 	<ul style="list-style-type: none"> Coastal zone 	<ul style="list-style-type: none"> In preparation 	
UNDP	<ul style="list-style-type: none"> Support to GAPPLA (agricultural planning unit) in LPDA implementation Environmental management Grass-roots organization 	<ul style="list-style-type: none"> Not specified Not specified Not specified 	<ul style="list-style-type: none"> In preparation (Financing ensured) Not specified Under discussion 	<ul style="list-style-type: none"> Possible synergy with IFAD's intervention Possible links to be explored Strong links with IFAD's proposed intervention.
FAO	<ul style="list-style-type: none"> Pilot Project for Sustainable Socioeconomic Development in Regions Free of Onchocercose Elaboration of Medium and Long-Term Research Programme 	<ul style="list-style-type: none"> Not specified National Not specified 	<ul style="list-style-type: none"> Ongoing Under discussion 	<ul style="list-style-type: none"> Possible synergy Possible synergy
	<ul style="list-style-type: none"> Water Management (in relation to Special Programme for Food Security); 		<ul style="list-style-type: none"> In preparation (Financing ensured according to MAFL) 	<ul style="list-style-type: none"> Possible links with IFAD's project



Donor/Agency	Nature of Project/Programme	Project/Programme Coverage	Status	Complementary/Synergy Potential with IFAD
FAO/RADHORT (African Network for Horticultural Development)	<ul style="list-style-type: none"> Regional Cooperation for the Development of Horticulture in Western Africa 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Possible collaboration with proposed and second generation projects.
FAO/The Netherlands	<ul style="list-style-type: none"> Rational Use of Forestry (Coal project) 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Possible collaboration with second generation project.
FAO/European Union	<ul style="list-style-type: none"> Production, multiplication and marketing of seeds 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> In preparation (Financing ensured) 	<ul style="list-style-type: none"> Strong link with proposed project.
AfDB	<ul style="list-style-type: none"> Rehabilitation of road infrastructure Institutional support to MALFH Support to the fishing sector 	<ul style="list-style-type: none"> Not specified National Not specified 	<ul style="list-style-type: none"> In preparation In preparation Not specified 	<ul style="list-style-type: none"> Possible synergy with IFAD's project Complementarity with IFAD's proposed and second generation project. Possible collaboration with second generation project
WFP	<ul style="list-style-type: none"> Food Aid for Rehabilitation 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Complementarity with IFAD project.
UICN/Switzerland	<ul style="list-style-type: none"> Coastal planning Creation of Cacheu/Urango Park 	<ul style="list-style-type: none"> Not specified Local 	<ul style="list-style-type: none"> Ongoing Ongoing 	<ul style="list-style-type: none"> Weak synergy Weak synergy
Permanent Interstate Committee for Drought Control in the Sahel (CILSS)/Sweden	<ul style="list-style-type: none"> Training in agricultural planning and statistics 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> In preparation (Financing ensured) 	<ul style="list-style-type: none"> Possible link with first intervention but possible collaboration with second generation project
Portugal	<ul style="list-style-type: none"> Support to the private sector Experimental Centre for Fruit Growing and Horticulture Promotion in Quebo Natural Park of Cufada Lagoon 	<ul style="list-style-type: none"> National Local Not specified Local 	<ul style="list-style-type: none"> Ongoing Ongoing Not specified Not specified 	<ul style="list-style-type: none"> IFAD target groups for proposed and second generation interventions might benefit from new export facilities Strong complementarity with second generation project Possible synergy with second generation Possible
Spain	<ul style="list-style-type: none"> Creation of a fish quality control laboratory Support to water research Support to cashew processing 	<ul style="list-style-type: none"> National National National 	<ul style="list-style-type: none"> Ongoing (?) Ongoing (?) Ongoing (?) 	<ul style="list-style-type: none"> Possible with second generation Possible with second generation Strong with second generation



Donor/Agency	Nature of Project/Programme	Project/Programme Coverage	Status	Complementary/Synergy Potential with IFAD
France	<ul style="list-style-type: none"> Support to farmers' associations Development of decentralized financial institutions Construction and rehabilitation of rural roads 	<ul style="list-style-type: none"> Not specified Not specified Not specified 	<ul style="list-style-type: none"> In preparation Under discussion Under discussion 	<ul style="list-style-type: none"> Possible collaboration with proposed project. Potential synergy with second generation project. Possible collaboration with proposed project.
Italy	<ul style="list-style-type: none"> Special Programme for Food Security 	<ul style="list-style-type: none"> National 	<ul style="list-style-type: none"> In preparation (financing ensured according to MALFH) 	<ul style="list-style-type: none"> Possible collaboration with proposed project
LIVA	<ul style="list-style-type: none"> Rehabilitation of <i>bolanhas</i> Rehabilitation of horticulture Provision of agricultural equipment for food-processing Microcredit 	<ul style="list-style-type: none"> Not specified Not specified Not specified Not specified 	<ul style="list-style-type: none"> Ongoing (?) Ongoing (?) Ongoing (?) Ongoing (?) 	<ul style="list-style-type: none"> Strong links with proposed project. Possible links with proposed and second generation project. Possible links with proposed and second generation project. Possible links with second generation project.
The Netherlands/ Netherlands Development Organization (SNV)	<ul style="list-style-type: none"> Support to grass-roots associations Strengthening of capacity of forestry and hunting management 	<ul style="list-style-type: none"> Local (east) Not specified 	<ul style="list-style-type: none"> Ongoing Ongoing 	<ul style="list-style-type: none"> Strong links with proposed project Possible links with proposed project
China	<ul style="list-style-type: none"> Support to fishing research Production of rice 	<ul style="list-style-type: none"> Not specified Local (east) 	<ul style="list-style-type: none"> Ongoing (?) Ongoing 	<ul style="list-style-type: none"> Weak synergy with IFAD's projects Possible links with second generation project.
Japan	<ul style="list-style-type: none"> Support to increase food production (KR2) 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> In preparation (Financing ensured) 	<ul style="list-style-type: none"> Possible links with proposed and second generation project.
Kuwait	<ul style="list-style-type: none"> Mangrove land recovery 	<ul style="list-style-type: none"> Local (Quínara e Tombali) 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Strong links with proposed project

