

GUINEA-BISSAU

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Draft Summary

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A. GUINEA-BISSAU - COUNTRY SITUATION

Introduction

Almost wedged between Senegal in the North and Guinea in the South and East, Guinea-Bissau is a small Sub-Saharan African country on the West African coast measuring 36,125 sq km and having about 1.2 million inhabitants. Population density is around 28 persons per sq km. Three fourths of the population is rural while a majority of the urban dwellers are concentrated in and around the capital city - Bissau. The population growth rate is estimated to be around 2.4 percent. As a far ethnic composition, the population belongs to different but well integrated groups; the most important of whom are Balantas, Fulas, Manjacos and Mandingas. The official language is Portuguese but the locally spoken form is creole. Portugal (for imports) and China (for exports) are its major trading partners.

The tropical climate varies between Guinean on the coastal areas to Sudanese in the interior. Rainfall ranges from 1,200 to 2,600 mm with a concentration in July-September. Soil fertility is generally low, compounded by susceptibility to erosion. The average temperature is 20 degrees Celsius. It is estimated that 1.1 million ha are cultivable and another 180,000 ha are suitable for mangrove rice cultivation. There are 1 million ha under dense forest, another million ha under degraded forest and savannah and 135,000 ha under sub-humid forest. Savanna bush dominates the Sudanese agro-climatic zone in the interior, while the coastal area has abundant palm trees and mangroves.

Guinea-Bissau gained its independence from Portugal in 1974. It was immediately faced with the task of rebuilding its economy which was damaged as a result of prolonged civil strife. The war had dislocated 20 percent of the population, destroyed an important part of the infrastructure and reduced output of the main crops by over 30 percent.

Agriculture and Environment

General description : Land degradation and deforestation are the primary economic and environmental problems in Guinea-Bissau. Food security is in a precarious state because it imports or receives in aid a significant proportions of the food domestically consumed. The subsistence agricultural production is constrained by the rudimentary technology utilized by smallholders. The survival strategy of these groups involves the utilization of indigenous technology for food production (e.g., low land and mangrove rice) traditional social organization and communal modes of resource allocation. Rural poverty and population pressure on cropped lands have led to the abandon of some traditional farming practices, in some regions, and to reduced fallow periods of traditional slash-and-burn agriculture, in others, thus exacerbating land degradation/deforestation and the deterioration of the fragile ecological environment.

Agriculture : Rice, Cassava, beans, sweet, potato, yam, sugar cane and tropical fruits are the principal crops in RGB. Of these crops, rice - grown in the south and west - is the most important one covering a third of arable land. The most important export crops are cashews, groundnuts, palm kernels and cotton. Small-scale village-based traditional agricultural farm plots make up the so-called

tabancas while *pontas* constitute the commercial private land concessions which are much larger in size. Pressure has increased considerably on the embryonic commercial agriculture to export - in response to endemic deficits in the balance of payments leading to the allocation of large landholdings (*pontas*) to private individuals. Some of these landholdings are located in territories customarily held by local communities, thus undermining their common resource base and their survival potential. There are an estimated 85,000 to 90,000 families and around 2,200 *pontas* with an average size of 113 ha as opposed to much smaller average size of the traditional holdings.

Livestock : Most farmers of all ethnic groups keep some livestock but it is the Fula and Mandinga, concentrated in the eastern and northeastern regions, who depend more on livestock and have the bulk of the country's herd. The country's livestock numbers have remained fairly stable between 1990 and 1993, with cattle taking the lead with 475,000 head. In 1993, there were some 67,000 pigs, 225,000 ovines and 270,000 caprines. The main constraints to the expansion of present livestock systems are the poor health of animals and the shortage of pastures and water during the long dry season. The absence of a meat marketing network is another constraint to increasing productivity.

Forestry : Forest areas cover around 2 million hectares. A severe process of forest degradation is taking place which can be attributed to: a) forest land clearing for cultivation, b) bush fires, c) charcoal production and d) excessive logging of certain species. A Tropical Forest Action Plan has been put in place to stop forest degradation.

B. TRENDS IN COUNTRY'S RICE PRODUCTION

1.1. Economic Aspects : Rice production in Guinea-Bissau like in many African countries is decreasing and the main reasons are :

- Traditional production system - the cropping techniques are archaic/backward and manually done ;
- Land tenure problems ;
- Strong diminution of available work force mainly for mangrove rice production system ;
- Insufficient mastery of water combined with uneven rain distribution over time ;
- The controversy within Rice - cashew exchange method.

The reasons mentioned herein are only applicable for mangrove and low land rice production systems. For upland rainfed rice production system, there has been production increase as a response of problems verified at mangrove rice ecosystem level (acidification and salification of soils) caused mainly by rainfall irregularities and lack of work force allowing valorization of rice field farms. But it must be underlined that this production increase has been extensively in prejudice of forest areas.

1.1.1. Guinea-Bissau has exported rice up to 1961. In 1941, the country has exported 5,234 tons, in 1956 the export was 4.740 tons and went down to 604 in 1961, year of last effective export (marketed overproduction of rice). Today, the main export registered is re-export of imported rice.

1.1.2. According to available statistical data, rice imports over last years has registered a clear evolution over the three following periods :

- 1974-1986 : Over which the imports have been maintained at a constant level of around 20,000 tons/year
- Between 1986/87 and 1990-1991 : during which mean progression was of 10%, going from 41,000 to 59,000 Tons/year
- 1990-1991 to 1995-96 : the evolution situation was more stable, with low import increase been around 0,15%/year.

This stabilization can be explained by the progressive lowering of rice re-exports that went from 30-40.000 Tons in 1990-1992 to 5,000-10,000 Tons today.

This perceptible increase of imports could be explained by a large national rice production that is not included (does not enter) in the official marketing circuit.

We should underline that there is a straight relation between rice imports and cashew nut exports (throughout exchange process).

1.2. Social Aspects

Rice is the primary staple food crop in Guinea-Bissau. At the same time, rice is considered a strategic product at national plan and its import has always had a particular attention of the public authorities. Up to 1987, year of economic liberalization beginnings, the rice import monopole was detained by two public enterprises-Armazens do Povo and SOCOMIN.

Rice plays another important social rôle - namely : marriage ceremonies, circumcision ceremonies, death ceremonies, etc... within some ethnic groups rice is regarded as a wealth symbol. Those producing more are usually very much respected and usually play a leadership rôle in the village.

1.2.1. Rice production is profitable for the farmers due to the following reasons :

- Rice availability for consumption
- Family food security
- Overproduction sale allowing to buy other goods and services
- Ceremony accomplishments - marriage, circumcision, etc...
- Rice exchange with basic needed products.

1.3. Environmental Aspects

Production inputs such as fertilizers, pesticides quality seeds are poorly used in rice production and their marked almost inexistant mostly from 1998 when KR2 (Kennedy Round -2) Project coming from the Japanese Government was pullet out by the donor.

1.3.1. Even high yield varieties started being very rare from 1989, date from which the Agriculture Ministry stoped production and rural extension of base and pre-base seeds. Existing varieties introduced aftermath of the independence are already degenerated. Sporadically, multiplication of improved varieties of high yield provided by WARDA are produced and distributed to farmers around the country.

Very low agricultural inputs is used in rice production :

- Mangrove rice - no need of fertilizers
- Low land rice - low quantities are used when made available by projects.

1.3.2. Up land rain fed production system is the one with the highest negative impact on environment.

After independence, Guinea-Bissau has put a great effort to increase rice production. But this effort has ended by a reduction tendency on mangrove rice production, a fluctuation on low land rice production system and an increase in up-land rice production system, as a result of large areas deforested, translated into medium and long term damages to a national and good natural ressources management if adequate techniques are not applied.

2. GUINEA-BISSAU POLICY VARIABLES AVAILABLE

2.1. After independence (1973) the Ministry of Agriculture has estimated that national rice production increase could only take place by making available to the farmers good quality seeds and all new adapted technologies of production.

DEPA (National Department for Agricultural Research) called to itself the battle of the introduction of new varieties and the multiplication of seeds to be made available to farmers.

At development projet level, technical guidance to the farmers has been stressed in areas such as crop techniques improvement, water management, soil fertilization, animal traction, etc. Concerning rice crop, it should be noted that very few inovations have been adopted to the farmers benefit, excepting the use of improved rice seed.

- 2.2. By the year 1990, the Government has decided to work on a National Agricultural Development Policy Document which defines the general framework of the social and economic policies, having the following objectives:
- Assure satisfaction to the population's basic necessities.
 - Re-establish a better revenue distribution
 - Fight against poverty (Poverty Reduction)
 - Use the natural resources on a rational basis
- 2.3. In this Agricultural Policy Document, the Government has fixed to itself 4 general objectives concerning agricultural policy:
- To ensure Food Security
 - To increase and diversify the exports
 - To assure reasonable management and preservation of natural resources (agricultural-forestry and livestock)
 - To improve the general life standard of rural population

2.4. Concerning the policies related to rice producers:

2.4.1. Economics Policies

Subsidies for rice production and marketing

The various macro-economic policy instruments used by the public sector to intervene in the economic competition of local rice does not always favour neither helps the production of internal grown rice crop.

Some of the policies adopted since 1973 are the followings:

- After independence, rice production was under Government responsibility to be carried out under Agricultural Ministry supervision, more specifically by development projects which places subsidies over inputs (seeds, fertilizers, pesticides, equipments, etc...).
- Rice distribution and marketing was under state monopole, using the two main public enterprises: People's warehouse and Socomin. Rice marketing was guided by exchange method with basic needed good such as tissues, blankets, mosquito tents, sugar, petroleum, batteries, etc....

Over this period of rice marketing, some merchants living in areas of great productions get benefits from projet commercialization of rice in the South, given in form of campaign credit, in money or basic needed goods.

2.4.2. Tax Barriers

Restrictions were constituted by tax variables (ad valorem) having as objective the establishment of a limit to imported rice and domestic rice price increase over the one fixed by the international market.

2.4.3. Non-Tariff Barriers

This measure that can also be called “quota” is about quantity restrictions imposed on maximum authorized rice imports. Over many years it was compulsory to buy 25% of local rice over the total imported rice, as a pre-condition to get official authorization for international market import.

2.4.4. Internal Barriers

The state intervenes under different forms (transportation subsidies, paddy price fixation, benefit fixation, etc...) in order to regulate prices at the level of the consumers, paddy producers and wholesale dealers.

2.4.5. The Liberalization

In 1989, rice market was liberalized allowing private sector to participate in a massive way towards imports. By the time liberalization took effect in 1987, the Ministry of Plan has had a difficult time in implementing support activities over rice marketing.

Productive and commercial public enterprises were privatized, as part of a state program to effectively get out of production, transformation and marketing of locally produced rice and out imported rice distribution circuits. This way, imported rice depended only on the payment of taxes and duties due to the state.

Furthermore, there still prevailing illegal tax barriers over products circuits (land and sea transportation).

2.5. Environmental Regulations/Policies

Concerning regulations on the use of pesticides and other agricultural chemicals, Guinea-Bissau is member signatory of the following sub-regional and international regulations/diploma:

- **Sahelian Committee of Pesticides (SCP)** a scientific body with headquarters in Bamako, Mali which oversees over production, import, distribution, sale and judicious use and management of pesticides. The body is composed of nine Sahelian countries belonging to CILSS
- **Rotterdam Convention** responsible for the implementation of PIC (Prior Importation Consent) and POP's (Persistent Organic Pollutants). Under UNEP responsibility, this convention was signed/ratified by Guinea-Bissau in September 1999 through FAO's Office and looks over all industrial and agricultural chemicals banned or dangerous to the environment and human/animal health.

Internally, the main existing regulations/laws in the agricultural field are:

- Plant Quarantine Law
- Regulation on Pesticide Import and use (under sub-regional guidance of SCP resolution/homologated chemical).

The main problem is not inexistence of laws and regulations but rather the lack of objective conditions for their application/implementation (enforcement).

2.5.1. Irrigation system is almost inexistant, therefore without regulation, which should not mean business must stay the same. For that reason the Ministry of Natural Ressources and Energy has put up a Directory Plan for water and Environment targeting the objective of a better water ressource management taking into account threatening factors such as drought, salted water infiltration, pollution, amongst others; all based on a strategy comprising: i) water ressource definition (surface and deep water) their distribution and behaviour; ii) definition of water need as well as for rural populations then for semi-urban, urban, agricultural and animal livestock; iii) the drafting of a water code.

2.6. Social Policies

2.6.1. Social Policies Adressing Rural Poverty

One of the priority objectives is the fight againts poverty (Poverty Reduction).

A National Strategic Document on Poverty Reduction is under way and the final draft should be up to the public on July 2002. This document will guide all policies and programs on Poverty Reduction.

2.6.2. Population Migration

It is a phenomenon that takes place yearly from the villages to the urban areas, damaging seriously agricultural production, particularly mangrove rice, an intensive man power consuming crop system. This migration ends up sucking out most of the youngsters, leaving behind only children and old parents.

Cross border migration takes place during crop periods towards Conakry-Guinea for mangrove rice production and towards Senegal for the groundnut season, but tendency is for this phenomenon to diminish year after year, and be substituted timidly by European countries.

2.6.3. Land Ownership

By law, land belongs to the state. Today's existing land law belongs to the colonial period (1961). New law has been put together and approved by the People's National Assembly in 1998, but its enforcement needs to be adjusted, regulated and divulgated in all the country's 8 administrative regions.

Presently a 300.000 USD FAO financed projet is about to start regarding Land Tenure Security and Land Law Regulation. This project will lay down the foundations for the implementation/enforcement of the new Land Law.

Today's indefinitions on Land Law and Regulations, Land can not be used as a guarantee for any type of investment. Land is obtained and used under Concession Authorization for a pre-established period of time. There's no private ownership of the Land. Therefore one should expecte a negative impact in the development of agricultural sector and even the hindering of a rational management and exploitation of the natural ressources.

It should be pointed out that customary/traditional laws practiced by the different ethnic groups are in most cases the ones prevailing in the countryside and it should also be noted that it contradicts in many cases modern laws.

The preparation of the new Land Law was cautious in the sense that it tried to include most of the sensible aspects of the existing and real customary Law.

2.6.4. International Trade Policies Affecting Domestic Rice Production

Guinea-Bissau is one of the WTO's member states, even though it is quasi-absent in the various negotiations that took place. But its positioning is reflected at the UEMOA's level as a West African and African economic block.

Our position stands on the side of the great majority of African countries and UEMOA, founded solidly on defending an agricultural system which takes primarily into account food security necessity, Poverty Reduction and the basic role that agricultural development plays in most African states.

Guinea-Bissau has signed a regional commercial agreement in the UEMOA's framework. Amongst other things this agreement foresees the establishment of a common market inside of which all goods, services, people and investment capital can move freely; the suspension of customs rights and abolishment of restrictions on import-export quotas among the states.

The Structural Adjustment Program of the World Bank has allowed a quite significant incentive for rice production by the pulling out of the State from productive and commercial activities. With the privatization of public enterprises, the sector has taken to itself the responsibility for production, marketing, transformation and the impacts are now visible in terms of competition, quality and quantity of rice produced.