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Investing in rural people in **Guinea-Bissau**

Guinea-Bissau is among the poorest countries in the world. The country ranked 177th out of 189 countries in the 2018 Human Development Index, with two thirds of its 1.8 million population living below the poverty line. Since independence from Portugal in 1974, Guinea-Bissau has suffered chronic political instability, which has displaced people and hampered growth and efforts to combat poverty.

Poverty, which is particularly high in some areas, increases the marginalization of the most vulnerable groups, including people with disabilities, those living with HIV/AIDS, children, women, and people of working age who are unemployed. The prevalence of HIV is 3.7 per cent among those aged 15-49, which is high compared with neighbouring Guinea (1.7 per cent) and Senegal (0.5 per cent).

Over 20 per cent of the rural population is food-insecure. Lack of access to sufficient, balanced and nutritious food stems from political instability, irregular rainfall and volatility of prices in agriculture. As a consequence, malnutrition is widespread in the country, especially in remote rural areas with insufficient health services, poor water and sanitation, and inadequate infant and young child feeding practices. Around 27 per cent of children under 5 years of age suffer from stunting.



Agriculture is central to the economy. The country has fertile farmland and the climate is adequate for growing a wide variety of crops, while around 75 to 80 per cent of the workforce is rural. However, for historical reasons and because of economic concentration, only two crops dominate the sector: rice for domestic consumption, and cashew nuts, which account for 95 per cent of the country's exports as a cash crop.

The outlook for economic growth and reducing poverty is highly uncertain. The fragility of the country is visible in rural areas where lack of investment has led to degraded infrastructure, obsolete equipment and very low production levels, which are aggravated by climate change. Despite the evident needs, implementation capacity remains limited.

Over-reliance on cashew nuts makes two thirds of the population vulnerable to economic shocks. In recent years, cashew production has expanded irregularly and unsustainably following growing demand from Asian importers. Nuts are exported with very little added value, and cashew trees have invasively replaced native vegetation.

Despite agroecological conditions favourable to the development of family farming with a very old tradition of rice-growing, national cereal production is not enough to cover the needs of the country. The gross cereal deficit in 2017/2018 was 202,000 tons so that the country relies on rice imported from Asia, which retails at 30-40 per cent less than domestic rice, even though the latter is preferred for its organoleptic qualities. More than 40 per cent of local rice production is lost annually due to poor seed quality and the lack of appropriate harvest equipment, according to the National Institute for Agricultural Research.

Eradicating rural poverty in Guinea-Bissau

Guinea-Bissau has strong agricultural potential with 1.6 million hectares of agricultural land, amounting to 45 per cent of the total area of the country. The currently cultivated area is estimated at about 300,000 hectares, or 18 per cent of potential farmland.

Cashew nuts are the main export product, accounting for 60 per cent of the country's income, but they have so far not benefited much from public investments in the agricultural sector or in the development of family farming. Therefore, economic diversification, either by moving up the value chain or by improving agricultural technology and access to markets, is essential to achieve sustained growth and combat poverty.

Guinea-Bissau is committed to adding value to the cashew sector, as established by the government in its national development strategy, *Terra Ranka* (2015-2025). Whereas only a small part of the cashew crop is now processed locally, *Terra Ranka* aims to increase this share to at least 30 percent. The government intends to quadruple the value of the sector through enhanced quality, yields and prices, and to integrate cashew into the commercial channels of the most profitable markets.

Investments made in the rice sector have concentrated on post-harvest losses. Improving the productivity of rice production systems and modernizing them in all family farms is a necessary but not sufficient condition to guarantee the revitalization of family farming and the socio-economic potential of family farms.

Given the scale of the problem, Guinea-Bissau has increased national efforts to address malnutrition. In 2014, the country joined the Scaling Up Nutrition

Movement, which began in 2009 as a collaborative process and has evolved into a movement that is both stimulated and reinforced by political interest in nutrition among government leaders and development partners alike. The government has adopted a national nutrition policy, established a national day of nutrition (18 November) and is committed to setting a multisectoral coordination framework for enhancing the synergy of all stakeholders in order to fight malnutrition efficiently.

IFAD's strategy in Guinea-Bissau

The current IFAD country strategy note for Guinea-Bissau is based on the political priorities defined by *Terra Ranka*, as well as the sectoral priorities and programmes of the National Agricultural Investment Programme (PNIA 2nd Generation, 2017).

The country strategy note guides IFAD's operations in Guinea-Bissau through the period 2019-2021. It envisages the transformation of the most vulnerable rural areas and the diversification of production systems within sub-watersheds, while also taking into account the organization's cross-cutting themes – environment, climate change, gender, nutrition and youth – as well as IFAD's strategy for countries in fragile situations.

IFAD builds on the dynamism of young people and women on the front line in lowland areas, while promoting agroecology to make farming systems more resilient to climate change by combining complementary crops with water and soil conservation. The Fund also uses and nutritional education to help diversify the diets of adults and of children in particular.

Key IFAD actions in Guinea-Bissau include:

- promoting poverty reduction, better food and nutrition security, and improved natural resource management by building stronger rural institutions and enhancing access to rural finance, particularly in the poor and disaster-prone regions of Quinara and Tombali
- supporting the country's post-conflict recovery and promoting crisis prevention
- making gender equality integral to all project services and activities
- harnessing the experience and capacity of non-governmental organizations and civil society to complement public-sector service provision in target areas.

Ongoing operation



Economic Development Project for the Southern Regions

The Economic Development Project for the Southern Regions (PADES) aims to revitalize the rural economy, improve food security and fight rural poverty in the regions of Tombali, Quinara, Bolama and Bijagos. About 40 per cent of direct beneficiaries are women and 42 per cent are young people.

PADES draws on some of the activities of the previous Rural Rehabilitation and Community Development Project, including community development and microfinance. However, the current project has a stronger economic development focus on infrastructure and the promotion of rice production.

The rehabilitation of mangrove swamps within the project zone for the purpose of rice production is a key feature of PADES. Current rice output meets one third of local demand.

The project also promotes alternative income-generation activities such as market gardening, small-scale livestock production, capacity strengthening of rural organizations and improved access to markets. The total cost of PADES is US\$18.97 million.



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IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$20.9 billion in grants and low-interest loans to projects that have reached about 483 million people. IFAD is an international financial institution and a United Nations specialized agency based in Rome – the United Nations' food and agriculture hub.

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June 2019