

Private sector development and international trade in The Gambia

The tiny West African country The Gambia is striving to export its crops globally. This demands a range of organisational, regulatory and infrastructural efforts, which means tackling everything from pests and yields to policy and logistics. The cashew, sesame and groundnut farmers are benefiting from the interaction of stakeholders from the agriculture, research, trade and logistics sector, and this contributes to an upswing in private sector development.



Following harvest, Alieu Faye takes his cashew nuts to be weighed and sold to processors. Adding value to cashews through processing is part of the government's strategy to increase its trade capacity and proceeds from its agriculture yields.

By Deanna Ramsay

Despite being one of Africa's smallest nations, The Gambia has a lot of room to grow. Having experienced a democratic change in the government in 2017 after 22 years, the country is making it clear that it is open for business. This means a fresh and inclusive trade agenda that aims to improve life for the Gambian people, half of whom live below the poverty line and are largely dependent on agriculture.

"Thirty per cent of The Gambia's GDP is agriculture, and 70 per cent of the people are employed in the area of agriculture. Now, there is this effort being made to improve the value of agricultural products apart from the

raw products. We are now trying to add value particularly in the area of cashew, sesame and groundnuts," said Gambian Minister of Trade, Industry, Regional Integration and Employment Isatou Touray in an interview in the country's capital, Banjul, in May 2018. In addition to adding value, the country is looking to increase its agriculture exports to improve the economy. But, the move from sustenance to international trade is a complex one, involving a diverse range of individuals and organisations from farmers and processors to policy makers, trade officials and the development community. Having identified cashews, sesame and groundnuts as local prod-

ucts with global potential, The Gambia and its partners are working to get them from fields to marketplaces the world over.

Alieu Faye has been cultivating cashews for over 20 years. Following a training in cultivation techniques, his ten acres on the north side of the Gambia River have started yielding more. Thus, he created a nursery that is lush with seedlings he is prepping for planting. The training that Faye and others attended was an outcome of the Enhanced Integrated Framework (EIF) trade studies of The Gambia in 2007 and 2013 that noted cashew's growth and income prospects, as well as those of sesame and groundnuts. Recommendations to

ready the crops for export included increasing yields to quantities sufficient for export, enhancing quality, reducing post-harvest losses and proper storage. With the country having foregrounded cashew, sesame and groundnuts as part of its trade strategy, on-the-ground efforts by the government in partnership with EIF and others include working with farmers to improve seed selection and the use of fertiliser, ensure water availability, correct plant density and handle harvests in better ways. Faye used these methods with his cashew crops and has seen results. This has inspired him in his role as President of the Federation of Gambia Cashew Farmers Association to encourage other farmers across the country to grow cashews. “I’m retiring very soon to concentrate on cashew farming – so retiring from my actual work and going to the cashew farm means that cashew is very valuable for me,” Faye said at his nursery. “If you want an easy life, grow cashew,” he added.

Processing, safety standards and private sector development

Buba Jawneh manages his family’s cashew enterprise, which dries, bakes and packages nuts for local and international consumers. Having been in business since 2008, when his father decided to expand from cashew farming, the Jawneh & Family Cashew Processing Enterprise supports an extended family and employs approximately 40 people. According to one cashew farmer, raw cashews sell locally for approximately 3,000 dalasi (USD 60) per bag holding about 85 kg. Processed cashews, on the other hand, can sell for between 5,000 and 10,000 dalasi, offering an incentive to add value in order to increase profits.

One important step in enhancing the country’s exports of cashew, sesame and groundnuts is the commercialisation of the industry, in part through supporting processing abilities, access to the technology needed to develop export quality items and certification so that products adhere to international standards. Small businesses struggle with all of this, including complying with the international food safety and quality standards required to export. Assisting small businesses such as Jawneh’s with machinery and accreditation helps to ensure that business across borders can occur, and is part of the work being done by a range of organisations in order to improve local incomes and facilitate trade.

As part of a target group of cashew producers identified for support by the Ministry of Trade,

Industry, Regional Integration and Employment (MOTIE) and the National Food Security Processing and Marketing Corporation (NFSC), Jawneh now has the necessary Hazard Analysis and Critical Control Point (HACCP) certification. He also has packaging and branding materials following this partnership stemming from EIF support, as well as processing equipment provided by the Food and Agriculture Organization of the United Nations (FAO). “In order to expand the business, we would like to have partners to increase the processing facility. And we would then like to have finance to secure more cashew nuts from the farmers so that we can do year-round cashew processing,” he said. He is looking to larger ovens so that they can deliver even more to buyers, and with access to loans, the ability to produce even more processed and packaged cashews, thereby gaining new customers across the world.

Facilitating logistics, storage and export

Saloum Malang is the Deputy Managing Director of Gambia International Airlines, which manages a new cargo centre at Banjul International Airport. The centre, with storage space for both perishable and non-perishable goods, is a part of efforts to strengthen the country’s participation in regional and global markets. “Trade is important in our economic development, and one of the pre-requisites for economic development is having a good airport,” Malang said. He added, “First, it gave us the relevant and required security facilities. Second, it gave us the operational facilities that are also needed to operate as a cargo. We are very proud.”

At the 2018 launch of the centre, which EIF helped to build, the institution’s Deputy Executive Director Annette Ssemuwemba said:



Alieu Faye sitting between his cashew seedlings on his ten-hectare farm.

Photos: Olivier Girard/EIF

“This will provide The Gambia with the opportunity to expand their volume of exports and a brighter trade outlook. The EIF looks forward to continuing to work with the government as it expands into new markets.” The facility in Banjul is expected to reduce handling times for a range of goods by as much as 50 per cent through the combination of improved infrastructure, better trained airport staff and increased services to small- and medium-sized enterprises. A new scanner allows large pallets to be easily prepped in accordance with International Air Transport Association safety standards, and will speed up the export process. The cold storage enables the transport by air of agricultural products that require a cooling system, something that could not occur before.

Aflatoxin in groundnuts – minimising health and economic impacts

In agricultural systems, issues can emerge that require coordinated responses, and that impact trade flows. Aflatoxin, which is produced by a fungus that is found in crops in humid places, is a health danger when consumed, leading to liver cancer and developmental problems in children. The Gambia’s groundnut, maize and rice crops have been affected, resulting in an estimated 22 million USD in losses since 2000 stemming from export limitations and affected groundnuts being downgraded to bird food – and therefore selling for lower prices. “The



Buba Jawneh manages his family's cashew processing centre. The only limiting factor is the amount of cashews they can roast at one time in their oven.

international acceptable levels of aflatoxin allowed in groundnut in the European Union is four parts per billion. For The Gambia, the measure of aflatoxin can reach 20 parts per billion or more, so because of that, since 2014, Gambian groundnuts have been unable to access markets in the EU," said Abdouramane Diallo, from the Policy and Partnerships division at the International Islamic Trade Finance Corporation (ITFC), which, together with EIF, is supporting work to protect the country's groundnuts and as a result people's health, and to ensure export access.

The NFSC is implementing the pilot together with MOTIE in the country and managing work with farmers. An initial group of 6,936 farmers were provided Aflasafe, a combination of fungal strains that prevents aflatoxin from infecting crops. Pilot farmers were identified by their fields having aflatoxin levels four to five times higher than the national average. They were given trainings in the proper use of the product, which includes applying it over fields two to three weeks before flowering. The first round of testing on those harvests has measured aflatoxin at between zero and four parts per billion, meaning that the nuts are now safe for export to the EU. As a next step, the NSFC will be purchasing those harvests directly from the farmers at a premium and facilitate initial exports to the EU.

The first phase of this work has shown that coordination is key to most efficiently assisting

farmers, and to allowing their crops back in the EU. EIF's partnership with the 47 least developed countries, of which The Gambia is one, involves close work with ministry partners and ensures complete government ownership. Success with farmers on the ground required NSFC and MOTIE collaboration, and the pilot work of purchasing groundnuts from farmers for export has shown that proper planning and timing are essential.

The non-traditional coalition with ITFC means that trade finance has worked well alongside trade development to achieve impacts in a short amount of time.

It is also an example of the range of actors involved in both food systems and trade, with scientists at the International Institute of Tropical Agriculture (IITA) having developed Aflasafe for use in the host of countries affected by aflatoxin, and it is proving to be the answer for the country's groundnut export issue. In The Gambia's pilot work, the NSFC purchased Aflasafe from IITA. The Agriculture Plant Protection Services (APPS) and National Agriculture Research Industry (NARI) are providing the training of trainers. The Department of Agriculture extension service is deploying staff locally and administering Aflasafe training to farmers, and it is assisting the NFSC in testing harvests for aflatoxin. The entire effort sits at a critical space where food, public health and trade intersect. More clean groundnuts means more export markets and more income for farmers, as well as health impacts that are impossible to quantify.

"ITFC is technically a trade finance institution, and trade finance products are a shorter-term instrument. But we are also a trade development institution. The combination of the two offers great potential to achieve concrete developmental objectives in a very short period of time. As a matter of fact, in addition to the grant and international support mobil-

ised for the aflatoxin mitigation programme, ITFC provides 20 million US dollars in trade finance every year to the Gambian groundnut industry," Diallo said.

The way forward

At The Gambia's Trade Policy Review in 2018, a regular exercise that is part of World Trade Organization (WTO) agreements, the country's potential was highlighted, and it was noted that The Gambia receives lower levels of development assistance than similar countries. As one of the poorest countries in Africa, The Gambia's economy is heavily reliant on services and particularly tourism. But the tourism industry was badly hit by the Ebola outbreak in the region, and lack of infrastructure and debt have been hindrances to growth. To properly spur growth, strong coordination and support from a host of partners that includes donors, the development community and the private sector is of utmost importance. The EU is The Gambia's main donor, allocating EUR 150 million in the 11th European Development Fund between 2014 and 2020.

With economic diversification seen as a solution for the country, the cashew and groundnut examples show how much and how many people and institutions are needed for impact, but that transformation can happen. Groundnuts are an important export commodity for The Gambia. The campaign against aflatoxin is seeing results, with the hopes that application of Aflasafe can be expanded throughout the country, resulting in crops being sold at higher prices for export and alleviating the health impacts in the population from aflatoxin consumption. For cashews, additional work with farmers to increase yields and reduce losses will be needed, as well as support for cashew processors, who face the constraints of many small businesses owners in accessing the right technologies as well as finance. "In cashew production – a crop that is part of the government's diversification of its agriculture – we are trying to see how we bring everybody together in order for us to create that critical mass for export going with the standards, with the quality and all the other processing value chains that are necessary to attract the right markets," Touray said.

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