

THE IMPACT OF PROPOSED US FOREIGN ASSISTANCE CUTS:

SENEGAL'S AGRICULTURAL SECTOR



Summary findings

The US is the largest supporter of agricultural assistance in Senegal, targeting its assistance towards tackling the growing crisis of food insecurity. The FY '19 budget proposal requests a 44% cut to Senegal's agricultural assistance. Such a withdrawal would likely:

- Reduce assistance for over 1 million people, leaving a gap in efforts to tackle food insecurity, including for an estimated 500,000 malnourished children, and boost agricultural productivity. Other donors and the Senegalese government might fill some of the gap but this could take years.
- Create worsening conditions that may have wider adverse effects on the stability of Senegal, which the US considers a key ally in the region. This would particularly impact the Casamance region, where a reduction may risk efforts to end the low-level conflict there.
- Significantly impact the level of expertise in the development sector, as USAID is highly regarded for its multi-dimensional approach to supporting agricultural development and addressing food insecurity.

PROJECT OBJECTIVE: To assess, using existing aid information, research, and in-country interviews, the impact of the US foreign assistance cuts proposed in the FY '19 budget. We undertook case studies in four countries – Cambodia, Liberia, Nicaragua, and Senegal – focusing on an important sector in each country. For Senegal, we looked at US investments in the agricultural sector.

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ABOUT THESE CASE STUDIES:

These countries were selected according to criteria informed by desk research, expert interviews, and analysis. In each country we focused on one sector and visited each country, conducting a number of interviews with a range of stakeholders. We utilized a common methodology for each to ensure a consistent approach with each country. For more information on our methodology visit: www.publishwhatyoufund.org/projects/us-foreign-assistance.

ABOUT PUBLISH WHAT YOU FUND: Publish What You Fund is the global campaign for aid transparency. We envisage a world where aid and development information is transparent, available, and used for effective decision-making, public accountability, and lasting change for all citizens.

Background

Senegal's economy has been steadily growing, although it remains a Least Developed Country (LDC) with extreme poverty predominantly concentrated in the rural areas.

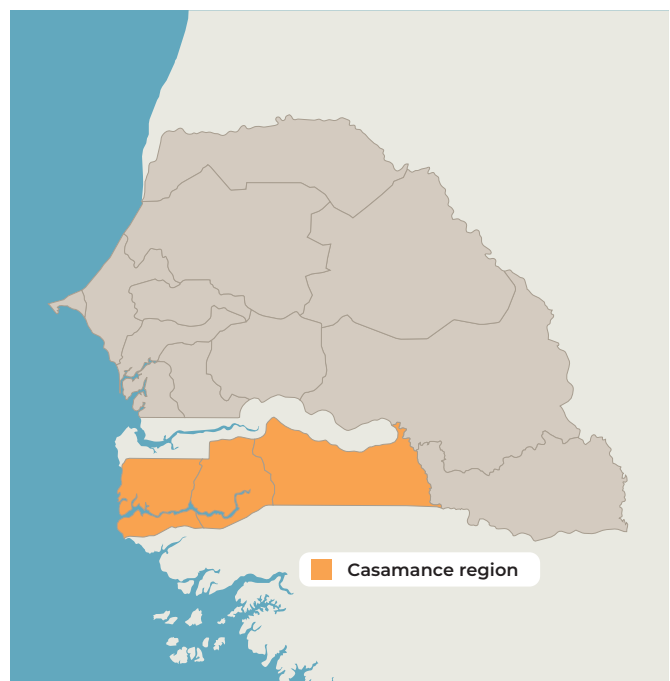
- Senegal's GDP has been growing steadily in recent years. Its 2016 growth rate (6.7%) made it the fourth fastest growing economy in Sub-Saharan Africa. Despite this, Senegal remains an LDC with a GNI per capita of \$1,004.¹ In 2014, the government released its development plan, Plan Senegal Emergent (PSE), which aims to make Senegal a Middle-Income Country by 2035.²
- Although its capital city, Dakar, is viewed as the political and commercial hub of West Africa, there is a considerable divide between rural and urban populations. Despite overall poverty falling, extreme poverty in Senegal remains concentrated in rural areas, where a large proportion of people depend on subsistence agriculture.³

Senegal's agricultural sector is crucial to reducing overall poverty, but agricultural output is highly susceptible to the climate and the sector suffers from continued low productivity.

- The agricultural sector represents a significant percentage of Senegal's economy,⁴ and is crucial to reducing overall poverty due to high levels of subsistence farming. However, Senegal continues to be at risk of experiencing serious food shortages.⁵
- Agricultural productivity is inhibited by poor infrastructure, widespread land degradation, and a vulnerability to extreme weather, particularly in the northern and desert areas.⁶

Senegal is relatively stable and regionally important.

- Senegal is one of the only countries in mainland West Africa never to have suffered a coup d'état. It has had a functioning, multi-party, democracy since 1974.⁷ Its relative prosperity and stability in relation to neighboring countries, combined with its geographical location, make it a key US ally in countering the region's drugs and small-arms trades.⁸
- Senegal has emerged as a regional leader due to its relative stability. Neighboring countries look to it as a model, and several interviewees noted the adverse effect on morale of any serious downturn in Senegalese development. Its reputation has lured foreign investors to the country, which has benefited the wider West African region.



“Senegal has long been considered important to the United States Government (USG) interests due to its strategic location, strong and professional armed forces, and relative political stability.... Not only does Senegal serve as a buffer against the spread of extremism from the northern Sahel, it also offers the USG a vantage point from which to engage with the rest of the West Africa region.”

– USAID, Country Development Cooperation Strategy

Despite its relative stability, Senegal is still home to one of the longest running conflicts in Africa.

- The Casamance region is the locus of a long-running, low-grade conflict.⁹ While the country has benefited from continued growth and development, the Casamance has largely stalled and languishes as the country's poorest area. This is despite its strong potential for growth, due to its fertile climate. The perceived lack of attention and services from the central government, along with geographic isolation from the rest of the country, resulted in the outbreak of a conflict in 1982.
- The conflict has been largely dormant since an unofficial cease fire in 2012. However, frustrations are reportedly resurfacing, with recent flare-ups of violence. While the level of violence remains relatively minor, interviewees expressed concerns about current instability.

The US is Senegal's largest donor and its agricultural work is considered critical to addressing many of Senegal's agricultural challenges as well as contributing to its stability. USAID's primary agricultural focus has been tackling food insecurity by boosting productivity and targeting pockets of poverty.

- In FY '16, the US spent \$189m on aid to Senegal.¹⁰ Of that, \$51.2m was on agriculture. Although it is the largest donor in the country, Senegal represents just 0.4% of overall US foreign assistance spending, making it the 34th most funded country by the US.¹¹

- As the country's largest source of employment, the agricultural sector is critical to boosting Senegal's economic growth. USAID focus is on improving productivity, yield, collection, and processing through a combination of technical assistance and the deployment of modernized technology.
- Concurrently, USAID is using agriculture to improve the livelihoods of some of Senegal's most food insecure people through technical assistance to rural small-holder and subsistence farmers as well as support to diversify diets among local communities to address chronic malnutrition. Through some of its programs, USAID aims to:
 - support up to 1.2 million agricultural producers to increase local rice production by 30%, local maize by 20%, and substantially improve the amount of millet going to market.
 - improve the sustainable production and consumption of nutritious foods for 1.5 million people, or 150,000 households which is roughly 10% of the overall population.
 - reach over half a million children under the age of five and their families with nutrition interventions.

- By tackling challenges relating to scarce resources and a lack of food, USAID is purposely underpinning the country's stability. This is most apparent in the Casamance region, where the US uses its agricultural programs to foster a more stable environment, which benefits peace-building efforts.¹²

“There has been a rebellion in the Casamance since the 1980s. But it's not a tribal thing, it's economic. People here feel they are left aside.”

EXAMPLE US PROGRAMS

Yaajeende: Agricultural Development Program • 2011 - 2016

This \$40 million USAID program focused on alleviating food insecurity in Senegal. Specifically, it sought to accelerate the participation of the very poor in rural economic growth to catalyze sustainable development with Senegal's agricultural sector and improve key dimensions of food security. The program supported an estimated 100,000 households, equating to roughly 1 million people. Most target areas saw between 25% – 30% reduction of malnutrition and 60% of participating families reported an increase in income. An estimated 56,000 people were lifted out of poverty.

Feed the Future: Naatal Mbay • 2014 - 2021

This project's core objective is to increase the productivity of small scale farmers. They have introduced new technologies and farming techniques, including more accurate measurement techniques to reduce waste. The project targets four key staple crops in three major agricultural areas throughout the country. These are irrigated rice in the north, millet and maize in the central area, and rain-fed rice in the south. Their work in Casamance focuses on women, who have traditionally been the primary workers of rain-fed rice. By FY '16 Naatal Mbay increased the capacity of 67,921 people to improve farming practices and increased the access of 2,515 millet farmers and 18,508 rainfed-rice and maize-farmers to rainfall data.

Cultivating Nutrition • 2017 - 2022

Cultivating Nutrition is a five-year, \$40m program. It aims to increase access to diverse and nutritional foods for a healthier diet particularly for children and women of reproductive age.

Senegal Agricultural Policy Project (PAPA) • 2015 - 2018

This project works in partnership with the Senegalese Ministry for Agriculture. It aims to increase efficiency and expertise within the Ministry to better administer agricultural policy.

The impact of a US withdrawal

The FY '19 budget request proposes cutting bilateral assistance to Senegal by 47%,¹³ including a 44% cut to agricultural support. US assistance targets the production of staple crops used for basic consumption, rather than cash-crops. A severe reduction of US spending would leave a gap in this work and adversely affect food security. Despite willingness, the Senegalese government and other donors are unlikely to fill the gap in the short-term.

More so than other donors, USAID's agricultural work focuses on tackling hunger through increased production of rice, maize, millet, and fisheries. Through its Naatal Mbay program, USAID is increasing productivity by supporting over 100,000 farmers to improve output. This is done, for example, by training farmers to reorient their practices to take account of the climate by better leveraging modern technology and insurance. Parallel with this work, the Cultivating Nutrition program supports those most at risk of hunger to develop garden farms and allotments to meet their own food needs.

There is widespread concern that a significant reduction in US assistance would upset the balance in the production of staple versus cash crops. Other donors have opted to focus on the production of cash-crops, such as peanuts and cashews, which is seen as important to the country's economic growth and tackling poverty. A sudden cut in US assistance would create a shortfall that other donors state would take years to fill, and no one felt the gap would be filled completely. Similarly, Senegalese officials indicated that they would attempt to step in to fill gaps left by the US, particularly given the gravity of the situation if it were to occur. However, they would not be able to do so on the same scale, or at such short notice. It would also require reallocating funds from other development priorities, affecting their overall development strategy.

“Even if [other] donors did reorientate their priorities [to fill a gap left by the US], there would be suffering in the interim.”

The current threat to food security undermines the stability of the country, risking wider ramifications for the region. As one of the few donors dealing with the Casamance conflict, there is concern that a cut to US agricultural assistance may worsen conditions in the region and have wider adverse effects on these peacebuilding efforts.

Several interviewees highlighted that a significant reduction of US assistance could have wider ramifications for Senegal's stability. An estimated 750,000 people will need food assistance outside of the growing season this year, which is an increase of 200,000 from last year.¹⁴ This figure puts Senegal near crisis point, which increases the risk of instability and migration.

This is particularly true for the Casamance region. Although the situation has been broadly stable in recent years there are indications of increasing tensions. Although the reasons are not entirely clear, some mentioned a growing frustration among former combatants, as promises for development have not fully materialized. There was concern among interviewees that a US withdrawal could tip this precarious situation into conflict.¹⁵

The US has increased its agricultural presence in the region in recent years, with the Cultivating Nutrition program specifically targeting the region alongside other areas. Several interviewees highlighted the strong connection between agricultural development and the peace effort. As a former rebel combatant said:

“If [donors] invest in agriculture, in employment opportunities, then the Casamance will be stable – for sure. There is so much potential in Casamance – fish, mangoes, other foods – but they go spoiled. We need commercialization, transformation, and [food processing] factories. We need opportunities and jobs.”

Interviewees consistently noted that USAID's work in the Casamance dampens tensions and nurtures a suitable environment for the peace-building. Through its work, USAID's uses agricultural projects to support small-holder farmers, sustain positive interactions between communities, and create income-generating activities.

“The US is one of the few donors dealing with the [Casamance] conflict and its aftermath. We thought the conflict was calming down, but if donors withdraw it might reignite.”

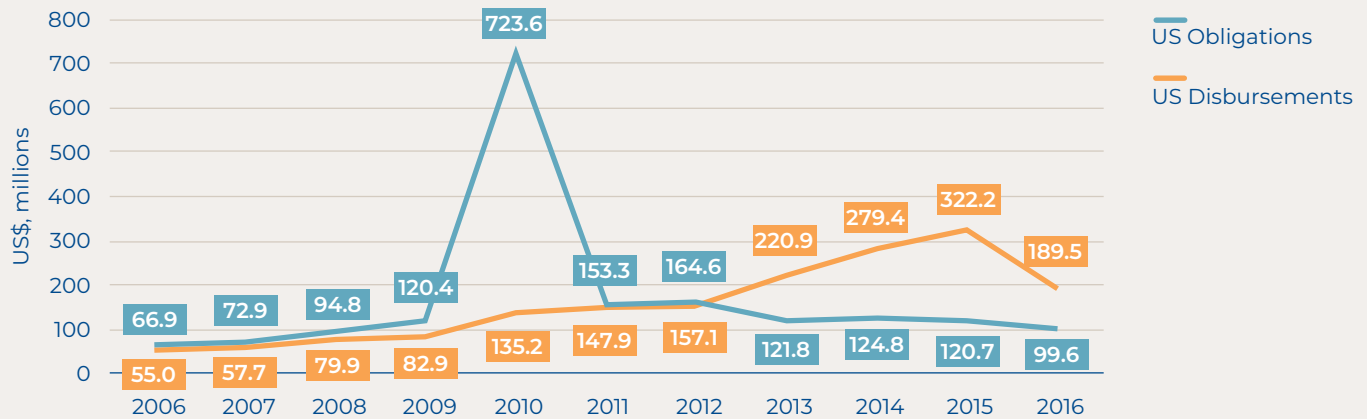
USAID is viewed as a leader in Senegal. A reduction of assistance would diminish the US' influence in the country and have wider impacts on the donor coordination.

The US is viewed as a leader among development actors in Senegal, by both other donors and the Senegalese government. Aside from their financial contribution, there was concern that a US withdrawal would impact the wider donor community. The US provides what is considered to be a more multi-dimensional approach to agricultural development than some other donors. Several donors also highlighted the importance of USAID's contribution in other ways, such as studies and assessments, which they find to be a useful resource for their own programs. Government officials highlighted the active collaboration that they and USAID enjoy, noting that the US tends to be among the most reliable and collaborative donors.

While nobody speculated that a withdrawal would harm US – Senegal relations, some did note that it would diminish the US' ability to influence others and to set the agenda.

“USAID is a leader in combining nutrition and agriculture. It would be bad to lose a donor like USAID because it is the only donor really doing this. Also, they have been here for decades, so other [donors] look to them because they understand Senegal.”

US OBLIGATIONS AND DISBURSEMENTS TO SENEGAL (CONSTANT \$), 2006 - 2016



Source: USAID Foreign Aid Explorer
 Note: the spike in obligations in 2010 is due to a \$433.3m COMPACT from MCC

“USAID is trying to create a situation where they are not needed anymore, and if that’s cut too early, it will undo the work [it has done] to date. The government has the will to do this, but not the resource.”

Notes

1. World Bank (2016), World Development Indicators.
2. United Nations (2018), Senegal Country Profile, 2018 Triennial Review.
3. Government of Senegal (2014), Plan Senegal Emergent.
4. World Bank (2018), Senegal Economic Update Recent Growth Drivers in Senegal, and the Role of Agriculture in Developing a Resilient and Inclusive Economy.
5. Agriculture represents 17.5% value added (% of GDP). World Bank (2016), World Development Indicators.
6. Senegal is classified as being at the very edge of ‘moderate’ on the International Food Policy Research Institute’s Global Hunger Index, indicating the risk of serious food shortages. IFPRI (2017), 2017 Global Hunger Index: The Inequalities of Hunger.
7. World Bank (2018), Senegal Economic Update: Recent Growth Drivers in Senegal, and the Role of Agriculture in Developing a Resilient and Inclusive Economy.
8. USAID (2017), Senegal Country Development Cooperation Strategy.
9. Low intensity conflicts are confined to a localized geographic area where battle deaths remain below 1000/year, according to Correlates of War.
10. USAID (2018), USAID Foreign Aid Explorer, see: <https://explorer.usaid.gov>
11. Ibid.
12. The FY ‘19 Request also includes a 72% cut (when compared to FY ‘16) to democracy and governance work. This includes funding for: civil society, good governance, consensus building and stabilization operations. Department of State (2018), see: <https://foreignassistance.gov/>
13. Ibid.
14. World Food Programme (2018), WFP Senegal Country Brief.
15. On January 7, 2018 13 young timber traffickers were allegedly killed by a members of a rebel faction, the MFDC. More recently, the press reported that a fishermen’s camp in front of the Nyambalang Bridge was burnt, causing casualties and damage to the bridge by, allegedly, an element belonging to MFDC.