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ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4549S

Series: Contacts - Member Countries files

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

Digitized: <June 28, 2013>

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Washington, D.C.

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McNamara Papers

*Contracts
Gambia (1977-1978)*

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A1993-012 Other # 6

Contacts with member countries: Gambia - Correspondence 01

GAMBIA

GAMBIA

1. 11/12-13/77
(Banjul)
- 11/10/77
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- 11/12/77
(Banjul)
- 2.
3. 5/25/78
- RMcN Notes (*Filed in Mrs. Mc Namara's office*).
- Pineapple Project:
Kaba Souare, Project Manager
Philippe Bonamour, Plantation Manager
R. de la Touche, Outgrowers and Research Officer
- Sir Dawda Kairabu Jawora, President
- H. Musa Camara, Minister of Finance
M. C. Cham, Minister of Economic Planning and Industrial
Development
D. Jetta, Minister of Education
M. L. Saho, Attorney General and Acting Minister of
Agriculture
H. O. Semga Janneh, Minister of Tourism
B.L.K. Sanyang, Minister of Works and Communications
T. Senghore, Permanent Secretary of Finance
Dr. A. J. Langley, Permanent Secretary, MEPID
F. M'Boge, Permanent Secretary of Agriculture
A.M.B. Clarke, Permanent Secretary of Education
A.M.B. Jagne, Permanent Secretary of Tourism
M. M. Sosseh, Deputy Secretary, Acting Secretary General,
Office of the President
Mr. Darbo, Director of Commercial Department, GCDB
- President Dawda Kairaba Jawara

OFFICE MEMORANDUM

TO: Files

DATE: December 6, 1977.

FROM: Gérard Boulch, WA2DC *G.B.*

SUBJECT: THE GAMBIA - Minutes of Meeting between Mr. McNamara and
Ministers of the Government of The Gambia
on Saturday November 12, 1977.

Present, on The Gambia side.

MINISTERS

His Excellency H. Musa Camara, Minister of Finance Chairman
of the Meeting
His Excellency M. C. Cham, Minister of Economic Planning and
Industrial Development
His Excellency D. Jetta, Minister of Education
His Excellency M. L. Saho, Attorney General, Acting
Minister of Agriculture
His Excellency H.O. Semga Janneh, Minister of Tourism
His Excellency B.L.K. Sanyang, Minister of Works and Communications

PERMANENT SECRETARIES

Mr. T. Senghore, P.S. of Finance
Dr. A.J. Langley, P.S. MEPID
Mr. F. M'Boge, P.S. of Agriculture
Mr. A.M.B. Clarke, P.S. Education
Mr. A.M.B. Jagne, P.S. of Tourism

Also Present

Mr. M. M. Sosseh, Deputy Secretary General, Acting
Secretary General, Office of the President
Mr. Darbo, Director of Commercial Department, GCDB

ON BEHALF OF THE BANK

Mr. R. S. McNamara
Mr. R. Chauffournier
Mr. W. Clarke
Mr. Koch-Weser
Ms. Ono
Mr. G. Boulch (present on Mr. Chauffournier's request)

Also present: Mr. Thahane, Executive Director for The Gambia.

The Minister of Finance opened the session, welcoming Mr. McNamara then referring to the results of the African Caucus meeting during the Annual Meeting qualifying it as a "psychological victory for Africa". He then pointed out the particular problems of The Gambia, due to its small size, expressed

his worries about the sluggish start of the 5th IDA replenishment, and underlined the importance of IDA for the Gambia which cannot afford Bank loans or third window credits.

He then turned to the debt service problems of developing countries, worsened by floating exchange rates and primary commodities price fluctuations and emitted the wish to see a special fund set up by the Bank for loan subsidies to help developing countries face their debt service problems. Addressing next Investment areas of the Bank Group, regarding investment of a social nature and the basic need approach to development he urged the Bank to continue in that direction. He then reviewed briefly the past and ongoing Bank activities in The Gambia (the port, the rice project, the tourism project, the rural development project) as well as the future operation, Education, GCDB line of credit, (for which he did mention the agricultural and SME components but not the housing component), Highway maintenance, and insisted on the necessity of an expanded Second Rural Development Project.

Mr. Cham, Minister of Planning, then expressed his concerns about the future of the BOP, due to both the volume of groundnuts produced and the FOB value of the crop. However, he noted that the debt service burden was less than US\$1 million in 1974 and would not represent more than 5 to 6 percent of budgetary revenues in 1980. He stressed the ambitious magnitude of the five year Plan (1975/76- 1979/80) and the need for aid to implement it: its revised cost being 2.5 times the original estimates (from US\$65 million to US\$163 million). He noted that infrastructure development (mostly roads) still represents about half of the Development Budget. Mr. Cham stressed also the preoccupation of the Government with food production and pointed at revisions in the food production projects of the plan which include now the development of the rice swamps of Jakhally and Patcharr (for which feasibility studies have just been completed), a new fisheries program taking in account the recent nationalization of fisheries and the creation of a national fisheries corporation, the construction of the bridge/dam for salinity control, for which Bank co-financing has been requested and The Gambia river Basin studies. Turning to the social services, he noted that they are sadly lagging behind, since no significant investment in the Education and health sectors has taken place since 1965. He also presented his preoccupation with the sluggish pace of investments in the Tourism sector and turning to the industrial sector, he noted that industrialization in The Gambia was far away, this sector representing only 8 percent of the GDP, however, he stressed the importance of our intervention in mining (Ilmenite). Furthermore, he requested Bank assistance within the Plan period (up to 1985) for the following projects: The Dam (co-financing with EDF), a Second Rural Development Project, and extension of DFC (GCDB) beyond 1982, a water and primary health care project in line with the "basic needs" approach, and fisheries, for which a FAO/UNDP report is now ready and for which contacts with ADB have been made. Mr. Cham requested a Bank mission on basic needs. The Government would like to use the findings

of such a mission as a basis for the next five year Plan. He also requested an identification mission for a fishery project.

The Acting Minister of Agriculture, Mr. M. L. Saho, then reviewed the ongoing Rural Development Project which is progressing satisfactorily. He then turned to the rate of interest charged to the farmers in this project, arguing that 11 percent was too high, since it is above the subsistence credit interest rate (7.5 percent) and above the commercial rate (8.5%) and sought a revision of the rate to bring it under 10 percent. Mr. McNamara then asked what the rate of inflation was (15%) what the rate paid for savings by the Banks was (6%) and concluded that with the latter it must be difficult to attract savings and that the policy of the Bank regarding interest rates was not to disturb relative prices nor to discourage savings. The Minister then took up the second rural development project and expressed the wish to see the Jakhally/Patcharr swamps included in it. He then brought up again the Dam project (costs 120 million Dalasis) and answering a question of Mr. McNamara cited a rate of return of 8 percent, he then emphasized the need for Agricultural research and mechanization, the need for extension staff in irrigation, the problem of rural health and the role of fish in rural nutrition, pointing at the lack of capital in the fishing sector and marketing problems. Mr. McNamara questioned the Minister about the causes of the fall in productivity, in the rural areas, pointing specifically at soil conservation problems, reduction of fallow, and, generally, increase of pressures on the land. The Minister, stressed particularly the bad condition of the seed stock for groundnuts, and the rural exodus of young males leaving only an aging population in the rural areas.

The Minister of Education then briefly reviewed the Education Project and brought up the BCC school issue, stressing again that it was not an addition to secondary education but an improvement. Mr. McNamara first noted that the issue was open and should be resolved at negotiations and that he was not in a position to take a stand on it. However, he presented the following two points as his personal feeling about the matter: First, as had been noted by the Minister of Finance, the 5th IDA replenishment of US\$7.5 billion was not enough by far to satisfy all the needs of the developing world, allocation of those funds was severely constrained and the Bank was reduced to choose among priorities. Hoping this would help the Government to understand a turn down, if it is the case, at negotiations time, Mr. McNamara then emitted the idea that, since The Gambia has the funds the land and the plans for the school it should go ahead and build it since, after all, money is fungible and Bank involvement would surely mean another lengthy delay. The Minister readily and smilingly took notice of Mr. McNamara remarks, however, he pointed out that he was going to show him the past (condemned) and present (provisional) BCC school building - (which he did!).

Mr. Janneh, Minister of Tourism (in a speech extremely difficult to understand), stated that the objective of the Government was to increase The Gambian ownership of hotels. He expressed the Government's deep concern about the lack of credit for hotel financing, and their plan to create a public sector hotel company in which IFC would be welcome. He then requested the help of the Bank for conversion of the GUC power generators to heavy fuel, noting that, since 1973 the fuel costs had become prohibitive.

The session then ended.

cleared with and cc: Mr. Gillette, Ms. Ono

cc: Messrs. Chauffournier, de la Renaudière,
Thahane, E.D., Clarck, Koch-Weser,
Wadsworth, Soges, Cole, Guetta, Odone
Brandreth, Payson, Cohen, Azcarate.

GBoulch/rv

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OFFICE MEMORANDUM

TO: Memorandum for the Record

DATE: June 5, 1978

FROM: Theodore F. Nkodo, ^WLoan Officer, WAIDCSUBJECT: CILSS - Visit of the President of The Gambia on Thursday, May 25CILSS Delegation

Sir Dawda Kairaba Jawara, President of The Gambia
Chairman, CILSS Head of State Council

Mr. Adrien Senghor, Minister of Equipment of Senegal
Minister Coordinator of CILSS

Mr. Aly Cissé, Executive Secretary of CILSS

Messrs. Jabang, Minister of External Affairs, The Gambia
Mboge, Secretary General to the Presidency, The Gambia
N'Dow, CILSS National Coordinator, The Gambia
Tall, Permanent Secretary, External Affairs, The Gambia

Bank

Mr. Chauffournier
Mr. Koch-Weser
Mr. Nkodo

6/14

1. Following welcoming remarks by Mr. McNamara, Sir Dawda Kairaba Jawara explained that he had been mandated by his colleagues to further sensitize the international community on the Sahel economic situation and development prospects, and to mobilize external resources for the financing of the CILSS 1978-82 investment program amounting to about \$3.2 billion. He also stressed that the proposed strategy adopted last year by the CILSS Heads of State and by the Sahel Club fully reflects the approach outlined in Mr. McNamara's 1973 speech to the Board of Governors, since it gives special priority to efforts aimed at achieving food self sufficiency and at improving the incomes and standards of living of the rural populations. Mr. Cissé stated that firm financing commitments announced at the recent meetings in Paris (livestock, transport) and in Rome (fisheries) amount to about \$200 million, but no systematic comparison has so far been made between the CILSS 1978-82 investment program and the proposed lending programs of the external aid donors.

2. Taking this last remark into account, Mr. McNamara observed that total external support probably exceeds \$200 million. In this regard, he pointed out that Bank Group lending to the CILSS member countries would be very

substantial, and Mr. Chaufournier referred to our current work program which would permit us hopefully to commit up to \$1 billion dollars over the 1978-82 period. Mr. McNamara remarked that a substantial part of this amount would finance projects included in the CISS investment program.

cc: Mr. McNamara
(through Mr. Koch-Weser)
Mr. Knapp
Mr. Chaufournier
Mr. de la Renaudière
Mr. Steckhan
Mr. Thalwitz

TNkodo:ah

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
DATE: May 24, 1978

FROM: Roger Chaufourrier 

SUBJECT: CILSS - Visit of Dr. Dawda Kairaba Jawara, President of The Gambia

1. At 6:00 p.m. on Thursday, May 25, 1978, Sir Dawda Kairaba Jawara, President of The Gambia, will pay you a visit in his capacity as current Chairman of the CILSS Heads of State Conference. He will be accompanied by Mr. Adrien Senghor, Minister of Equipment of Senegal and Minister Co-ordinator of CILSS, and by Mr. Aly Cisse, Executive Secretary of the CILSS Secretariat.

The Permanent Interstate Committee for Drought Control in the Sahel (CILSS)

5/24
2. The Permanent Interstate Committee for Drought Control in the Sahel (CILSS) has a membership of eight countries: Cape Verde Islands, Chad, Gambia, Mali, Mauritania, Niger, Senegal and Upper Volta. It was established in Ouagadougou on September 12, 1973. At that meeting, the Heads of State declared their countries to be "a disaster area" and launched an appeal to the international community for emergency mobilization of relief and reconstruction assistance. They adopted a compendium of projects to counteract the effects of drought and constituted a CILSS Secretariat to facilitate implementation of these activities. In order to strengthen the Secretariat's capacity for project formulation and preparation of implementation plans, and for the purpose of facilitating the mobilization of external resources, the CILSS Heads of State also established the Sahel Club in Dakar in March 1976. In addition to the eight CILSS member countries, the Sahel Club includes the major traditional aid donor countries as well as interested OPEC countries and regional and international organizations.

Development Strategy and Investment Program

3. The main work of the CILSS Secretariat and of the Sahel Club has been to draw up a plan for the development of the Sahel for the period 1978-2000 and a first program of action for the period 1978-82, and to mobilize resources for its financing. The proposed development strategy and investment program were approved by the Sahel Club at its second meeting in Ottawa on May 30-June 1, 1977, which was chaired by President Moktar Ould Daddah of Mauritania and attended by representatives of fifty-eight countries and organizations. It was agreed that the CILSS Secretariat and the Sahel Club would refine and strengthen the proposed strategy by improving project programming and by ensuring a fuller intersectorial coherence at the national level, as well as assure the necessary follow-up on the implementation of the investment program. This work is being carried out jointly by sahelians and representatives of aid donor countries and agencies through seven working teams based at the CILSS headquarters in Ouagadougou. It is financed essentially by Canada, France, the Netherlands, USA and UNDP.

The Bank's Role

4. The Bank Group was represented at the Ottawa meeting, and a statement on your behalf was delivered at the opening session (copy attached). In general, however, our policy vis-à-vis CILSS and the Sahel Club has been restricted to attendance at the coordination meetings, except for the transport team where we participated as rapporteur-adjoint and provided some guidance to the work of the team. This policy has been dictated by three major considerations. First, a more active participation in the varied aspects of CILSS-Sahel Club work would imply very substantial manpower requirements. Even our limited participation in the transport team has proved quite costly in manpower terms. Second, the Sahelian Governments remain ambivalent towards CILSS-Sahel Club. While they are willing to use it to attract attention to the Sahel and raise additional money, they are unwilling to relinquish responsibility over their investment planning and financing to any regional body. Thus, while the Sahel Club has proved to be an effective forum for exchanges of views at the technician level, its impact in terms of investment planning and coordination remains relatively limited. Thirdly, an underlying motive of many of the Sahelian Governments in the CILSS and the Sahel Club is to circumvent the kind of economic criteria for decision-making that the Bank typically recommends and to establish looser, more politically oriented guidelines for investment. As a result, the discussions within the CILSS and the Sahel Club have not proved very conducive to well-conceived economic development planning.

Preliminary Results and Prospects

5. With respect to their stated objectives of informing and sensitizing the international community on Sahel development prospects and needs, and of facilitating the mobilization of external resources, the CILSS and Sahel Club have achieved substantive results. The wide attendance at the Ottawa meeting coupled with a renewed visible expression of donor support, have confirmed the growing interest which the international community is taking in the region's development efforts. During the last couple of years, there was a rapid increase in commitments of financial assistance (including for emergency food supplies), mainly from the traditional donors, the United States, Canada and the Netherlands in particular. During the second work phase, attention of the donors is likely to shift to expanding the countries' absorptive capacity, implementing concrete investment programs and formulating and introducing sound economic and social policies. However, given the constraints, it remains to be seen how far regional bodies such as CILSS and the Sahel Club will be able to contribute to these efforts.

6. For the reasons explained above, we propose to continue to concentrate our development assistance at the national level while

maintaining a cooperative but low-profile approach towards the CILSS and the Sahel Club. This approach is broadly consistent with the recommendations of the Ottawa meeting, which recommended a larger role for the CILSS National Committees in the CILSS-Sahel Club future work program.

Cleared with and cc: Messrs. Denning, Payson, Pouliquen, van Gigch,
Schmedtje, Whyte

cc: Messrs. de la Renaudière, Thalwitz, Steckhan o/r

TNkodo: aeh

STATEMENT TO OTTAWA MEETING ON BEHALF OF MR. ROBERT S. McNAMARA

I would like to send my best wishes for success of this important meeting.

The World Bank strongly supports every effort to come to grips with the long-term development problems of the Sahelian countries. In fact, World Bank assistance to the Sahel has sharply increased over the last decade from some US\$20 million in 1966/67 to annual commitments of about US\$100 million in the last two years. Thus, past total World Bank Group commitments to the countries of the Sahel are reaching the \$500 million mark. With the recently agreed very substantial replenishment of IDA resources we hope to be able to double this amount over the next three to four years in response to the needs of the region and the efforts of its Governments to increase the absorptive capacity of their countries.

Our aim is not just quantitative. Above all, we are trying to improve the quality of our assistance and thereby to reach the largest number of people. Bank Group financed projects in the Sahel cover a broad range of economic sectors such as transportation, mining, training, health, and especially agriculture which provides the best opportunity to improve the life of a majority of Africans. In many of these projects, other donors have joined us to help finance, for instance, the modernization of the Dakar-Bamako railroad link, the control of riverblindness, as well as rural development and irrigation projects. Thus, close cooperation with the Sahelian countries and--at their request--coordination with other donors have marked our activities in the Sahel. The Ottawa meeting will provide a welcome opportunity to take stock, to raise our sights to the end of this century, and to determine how we can help the Sahelian countries achieve a better and more productive life for the majority of their people.

The Current Drought Situation in the Sahel

1. By contrast to the two preceding years when the rainfall was relatively good and evenly distributed, the economies of the sahelian countries were once again hit by the drought in 1977/78, though much less severely than the disastrous 1973/74 drought. The most seriously affected are the coastal countries (Gambia, Mauritania, Senegal) and the Cape Verde Islands where production of the main staple crops fell by more than 50 percent. The resulting food grain deficit for the region as a whole is estimated by the Governments themselves at some 700,000 tons as follows:

- Cape Verde Islands	30,000	tons
- Chad	55,000	"
- Gambia	25,000	"
- Mali	140,000	"
- Mauritania	50,000	"
- Niger	85,000	"
- Senegal	180,000	"
- Upper Volta	135,000	"

2. In some of the countries such as Niger and Mali, the deficit may to some extent be due to unrecorded exports to the coastal countries, in part as a result of higher purchasing power in those countries and in part on account of low official domestic consumer prices. In addition, these estimates probably do not fully take into account the existence of stocks at the village level.

3. Total commitments of emergency food supplies from the international community amount to some 450,000 tons. The sahelian countries have therefore found it necessary to import large volumes of food grains on their own resources.

President of The Gambia

His Excellency, Alhaji Sir Dawda Kairaba JAWARA, Chairman of CiLSS

Born in 1924, President Jawara graduated from Achimota College in Ghana, Glasgow University, Scotland, and later became a veterinary surgeon after having obtained a degree in tropical veterinary medicine from the University of Edinburgh in 1957. He worked as a veterinarian in government service until 1960 when he became leader of Protectorate Peoples Party which later became the Peoples Progressive Party. He was Premier from 1962-1963; Prime Minister 1963. He led The Gambia to full independence on February 18, 1965 and in the general elections which followed in 1966, was elected Prime Minister. When The Gambia became a republic in 1970, he was elected President and has since been twice re-elected in 1972 and 1977. He enjoys golf and gardening.

Mr. Adrien SENGHOR - Minister of Equipment

Mr. Adrien Senghor, 48 years old, was born in Dakar. He graduated from the National School of Administration of Senegal (ENAS) and the National Center of Economic Surveys of Paris. From 1967 to 1971 he was the Director General of the National Marketing Board for Agricultural Products (OCAS), from 1971 to 1973 Director General of the National Marketing Board for Groundnuts (ONCAD), and from 1973 to 1978 Minister of Rural Development and Water Supply. After the elections in March 1978, he was appointed Minister of Equipment. Mr. Senghor is presently the Secretary General of Coordination of the Socialist Party of Fatick and Assistant Secretary General of the Regional Union of Sine-Saloum.

Mr. Aly Cisse - Executive Secretary of CILSS

Born in Diafarabé (Mali) in 1923, Mr. Cisse is a graduate of the William Ponty Teacher Training College (Senegal) and of the French National School of Administration (FOM). Before his appointment to his present position at the end of 1976, he held various senior positions in the Malian Government including General Manager of the Central Bank of Mali and Minister of Health and Social Affairs (1973-75).