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Nichamara papers

Travel brief - West Africa,
Nov. 1-15, 1977 / Koch-Weser

(The Gambia)

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Koch-Weser's Travel Briefings: West Africa (Nigeria, Ivory Coast, Liberia, Guinea, The Gambia, and Senegal) Travel briefs: The Gambia 01



In Honour of Mr. Robert McNamara, President of the World Bank and
Mrs. McNamara



*His Excellency The President of the
Republic of The Gambia
and Lady Jawara*

*request the pleasure of the company of
Mr. Kockwaser*

at a Dinner

on Saturday the 12th of Nov. at 8.p.m.
State House 1977 R. F. V. P

Banjul

*Tel 741
(Regrets only)*

THE GAMBIA BRIEFING BOOK

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MR. MCNAMARA'S VISIT TO THE GAMBIA

Saturday, November 12

- 11:30 Arrival in Banjul of Mr. and Mrs. McNamara
(from Conakry by Guinean Government plane)
Accommodation: Vice President's residence or Sun Wing Hotel
- 12:30 Private lunch, followed by briefing session with staff
- 14:30 Meeting with president of The Gambia
- 15:00 Meeting with Ministers and Permanent Secretaries of
Ministries concerned with ongoing projects
- 16:00 Meeting with Ministers and Permanent Secretaries of
Finance and Economic Planning, and with Secretary General and
Director of Gambian Commercial and Development Bank
- 17:00 Brief visit of Tourism development area
- 20:00 Official dinner (hosted by President or Vice President
of The Gambia).

Sunday, November 13

- 9:00 Departure for Brikama
- 9:30 Arrival in Brikama: visit of large groundnut farm (owner,
Chief Sanjoly Bojang is familiar with problems of groundnut
production and marketing in The Gambia)
- 11:30 Boarding at Bintang and travel by river to Tenda Ba (lunch
on boat)
- 13:30 Arrival at Tenda Ba - continuing by road to Mansakonko

- 14:00 Visit to cooperative union (near Mansakonko), in the area of the Bank-financed Rural Development Project
- 15:00 Crossing Gambia river on ferry boat at Farafeni
- 17:00 Departure for Dakar

Comments

1. In the plane for Conakry, Mr. and Mrs. McNamara will be with Mr. Thahane, Mr. W. Clark, Mr. R. Chauffournier and Mr. C.Koch-Weser.
2. On Saturday, November 12 (afternoon) a special program will be organized for Mrs. McNamara. It is likely to include the following:
 - 14:30 Leaving residence with wife of President of The Gambia
 - 15:00 Visit to children's wing of Royal Victoria Hospital
 - 15:30 Visit to indigenous business advisory service.
 - 16:00 Tea with President's wife and with President of Womens' Federation.

October 25, 1977

Airport Arrival Statement

GAMBIA

This is my first visit to The Gambia. I am delighted to be here and I am grateful to The Gambian Government for the invitation. I look forward to meeting with your President, Sir Dawda Jawara, and discussing with him and his associates the economic development objectives of your country and the directions assistance from the World Bank should take.

I have closely followed your efforts over the years to build a better life for your people. I am impressed by the way The Gambia has made good use of its opportunities and promoted development under very difficult circumstances.

The World Bank is proud to have been able to make a greatly expanded contribution to Africa's economic development. Over the five years 1974-78, it expects to provide almost \$7,500 million for this purpose, compared with a total of \$800 million provided in 1964-68. As Africa is a continent of predominantly small farmers and rural workers, much of the success of development will depend on what is done for people in the rural sector without neglecting the increasingly important economic and social role of the cities. Over a third of the Bank's lending is currently directed to agriculture and rural development, and a good deal of the investments in transport, power and other infrastructure are designed to support rural development.

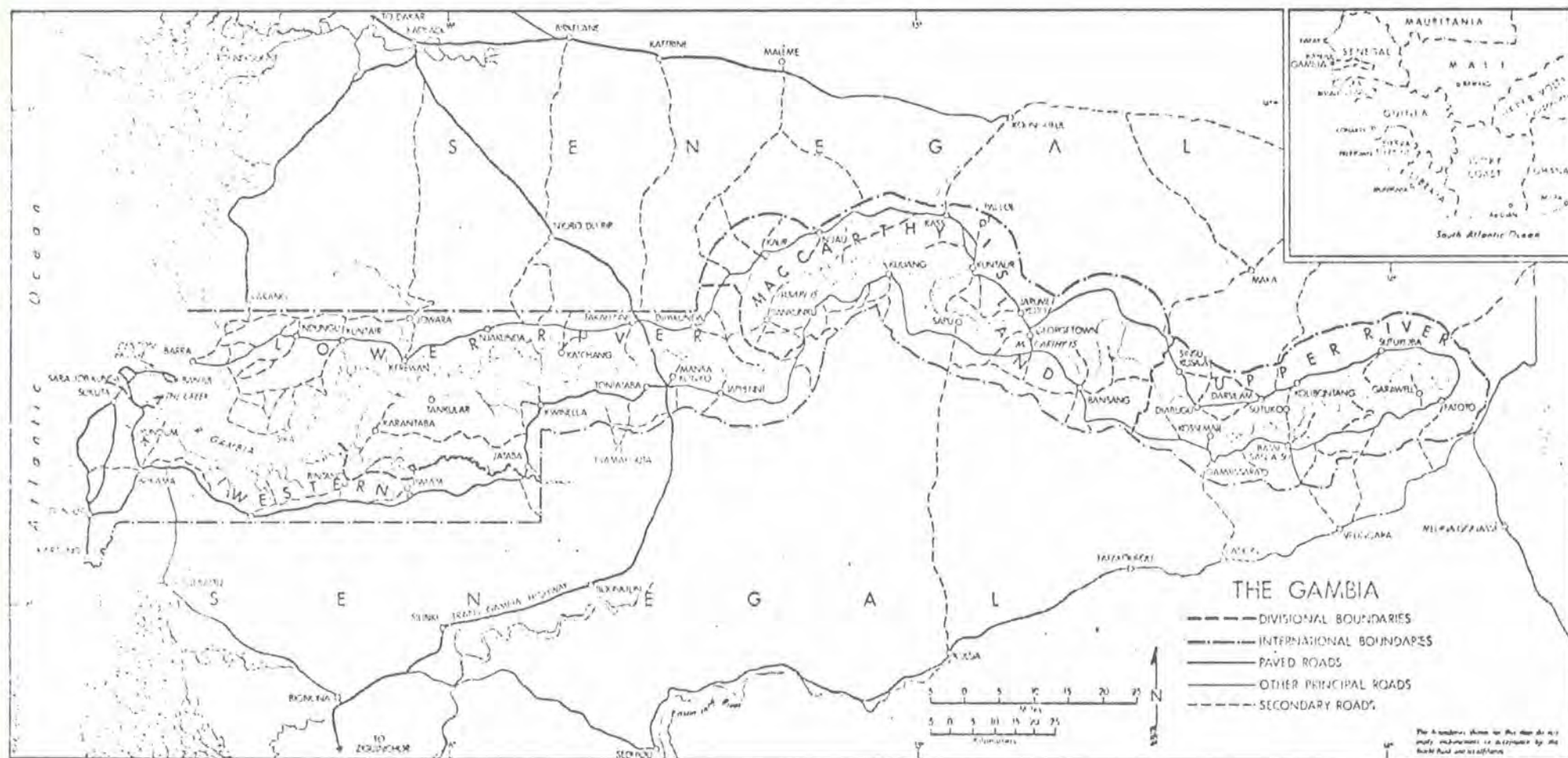
In Gambia also, rural development is a sector of vital importance, since the country depends heavily on a single crop and, like the Sahelian countries, is vulnerable to droughts. So far, financial assistance from the World Bank

to the Gambia has been in the field of port construction, public utilities and tourism infrastructure, as well as in agriculture. We hope to continue our aid in these sectors, but will give particular emphasis to rural development and rural infrastructure.

But we know you have other needs as well. So we are exploring opportunities for assisting your education system, helping in the construction and maintenance of main roads and feeder roads, and providing support to The Gambian Commercial and Development Bank.

I hope to be able to discuss all of these points with your Government during this visit. My objective in coming here is to see how we in the World Bank can assist more fully the development of your country for the benefit of all its people.

C



background notes

The Gambia

department of state * february 1977

OFFICIAL NAME: Republic of The Gambia

PEOPLE

Almost 85 percent of the people live in rural areas. The principal ethnic groups are Mandingo, Fula, Wolof, Jola, and Serahuli. There are also about 400 Europeans (primarily British) and a few hundred Syrians, Lebanese, and Mauritians, nearly all of whom reside at Banjul.

English is the official language, although most of the Gambians speak their native languages. Islam is the principal religion, followed by animism. There are a few thousand indigenous Christians.

HISTORY

From what is known of its early history, The Gambia was once part of

the Empire of Ghana and the Kingdom of the Songhais. When the Portuguese visited in the 15th century, it was part of the Kingdom of Mali.

By the 16th century Portuguese slave traders and gold seekers had settled in the lower river area. In 1588 the claimant to the Portuguese throne, Antonio, Prior of Crato, sold exclusive trade rights on the Gambia River to English merchants; this grant was confirmed by letters patent from Queen Elizabeth I. In 1618 James I granted a charter to a British company for trade with The Gambia and the Gold Coast (now Ghana).

During the late 17th century and throughout the 18th, England and France struggled continuously for political and commercial supremacy in the regions of the Senegal and Gambia

Rivers. The 1783 Treaty of Versailles gave Great Britain possession of The Gambia, but the French retained an enclave at Albreda on the north bank of the river (ceded to the United Kingdom in 1857).

In 1807 slave trading was abolished throughout the British Empire, and the British tried unsuccessfully to end the slave traffic in The Gambia. They established the military post of Bathurst (now Banjul) in 1816. In the ensuing years Banjul was sometimes under the jurisdiction of the Governor General in Sierra Leone. In 1843 it was made a separate British colony. Beginning in 1866 The Gambia and Sierra Leone were again united under a single administration, but in 1888 The Gambia became a separate entity once more.

PROFILE

Geography

AREA: 4,003 sq. mi. (10,367 sq. km.); about four-fifths the size of Conn. CAPITAL: Banjul (pop. 40,000).

People

POPULATION: 525,000 (1976 est.). ANNUAL GROWTH RATE: 2.8% (1976 est.). DENSITY: 131 per sq. mi. (51 per sq. km.). ETHNIC GROUPS: Mandingo (40%), Fula (13%), Wolof (12%), Jola (7%), Serahuli (7%). RELIGIONS: Muslim (85%), animist and Christian (15%). LANGUAGES: English (official), Mandinka, Wolof, and other native tongues. LITERACY: about 10%.

Government

TYPE: Republic. INDEPENDENCE: February 18, 1965. DATE OF CONSTITUTION: April 24, 1970.

BRANCHES: Executive—President (Chief of State and Head of Government), Vice President, Cabinet. Legislative—unicameral House of Representatives. Judicial—Supreme Court, subordinate courts.

POLITICAL PARTIES: Progressive People's Party (PPP), United Party (UP), National Convention Party (NCP), National Liberation Party (NLP). SUFFRAGE: Universal over 21. ADMINISTRATIVE SUBDIVISIONS: Banjul and 5 divisions.

FLAG: Three horizontal bands of red, blue, and green, with blue center band bordered by two narrow white stripes.

Economy

GDP: \$88 million (1975 est.). ANNUAL GROWTH RATE: 12%. PER CAPITA INCOME: \$140-\$160 (1975). PER CAPITA GROWTH RATE: 14% (1975 est.).

AGRICULTURE: Land 55%. Labor 85%. Products—peanuts, rice, millet, sorghum, fish, palm kernels, livestock.

INDUSTRY: Products—peanut products, soft drinks, consumer clothing items.

NATURAL RESOURCES: Fish.

TRADE: Exports—\$42 million (1975 estimate): peanut products (95%), palm kernels, fish, hides and skins. Partners—U.K., other EEC countries. Imports—\$45 million (1975 est.): textiles, foodstuffs, machinery, transportation equipment. Partners—U.K., other EEC countries, Japan, People's Republic of China.

OFFICIAL EXCHANGE RATE: 4 dalasi=1 British pound sterling; 1.98 dalasi=US\$1 (1975).

U.S. ECONOMIC AID: \$5.2 million (1956-73); some P.L. 480 (Food for Peace) foodstuffs and \$675,000 (recovery and rehabilitation program) to relieve conditions created by Sahelian drought.

MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS: U.N., British Commonwealth, Organization of African Unity (OAU), CHISS (Interstate Commission to Combat the Sahelian Drought).



An 1889 agreement with France established the present boundaries, and The Gambia became a British Crown Colony, divided for administrative purposes into the colony (city of Banjul and the surrounding area) and the protectorate (remainder of the territory). The Gambia received its own executive and legislative councils in 1901 and gradually progressed toward self-government in the decades that followed. A 1906 ordinance abolished slavery throughout the colony.

During World War II Gambian troops fought with the Allies in Burma, and Banjul served as an airstop for the U.S. Army Air Corps and port of call for Allied naval convoys. President Franklin D. Roosevelt stopped overnight at Banjul en route to and from the Casablanca Conference, marking the first visit to the Continent of Africa by an American President in office.

After World War II the pace of constitutional advance quickened, and full internal self-government was granted in late 1963 following general elections held the preceding year. Political attention in The Gambia began to focus increasingly on independence.

The Gambia achieved independence on February 18, 1965, as a constitutional monarchy within the British Commonwealth of Nations. Shortly thereafter, the government proposed conversion from a monarchy to a republic with an elected President replacing the British Monarch as Chief of State. This proposal was submitted to a popular referendum in November 1965 but failed to receive the two-

thirds majority required to amend the Constitution which had come into force at the time of independence. The referendum results won widespread attention abroad as testimony to The Gambia's observance of secrecy in balloting, honest elections, and civil rights and liberties. In 1970 another referendum was approved by the required majority, and The Gambia became a Republic on April 24.

GEOGRAPHY

The Gambia is located on the bulge of West Africa and comprises a narrow strip of land 7 to 20 miles (11-32 km.) wide along the lower reaches of the Gambia River. It extends inland 200 miles (320 km.) from the Atlantic Ocean and, except for the seacoast, is completely surrounded by the Republic of Senegal.

The Gambia is low-lying, with a maximum altitude of 120 feet (73 m.) above sea level. Thick mangrove swamps border the lower half of the Gambia River, where vegetation often rises 100 feet (30 m.). Behind the mangroves are river "flats" which are submerged completely during the wet season, in some cases with salt water. Sand hills and rolling plateaus lie farther back from the river.

The climate is subtropical with a marked hot and wet season (June-October) and a cooler dry season (November-April). Annual rainfall varies from 30 to 55 inches (76-140 cm.) and comes only in the summer. Temperatures range from 60° to 110°F (16°-43°C) with daily temper-

atures exceeding 90°F (32°C) from April to June.

GOVERNMENT AND POLITICAL CONDITIONS

According to the new Constitution, promulgated on April 24, 1970, the government is divided into independent executive, legislative, and judicial branches.

Executive power is vested in a President who is popularly elected to a 5-year term. The Vice President is elected at the same time as the President and must be a member of the same political party. The President is assisted in his functions by a Cabinet which he appoints.

The legislature is composed of 40 Members. Thirty-five are elected by universal adult suffrage for 5-year terms and four are representative Members elected by the tribal chiefs. The Attorney General, appointed by the President, is an *ex-officio* Member.

The judiciary consists of a Supreme Court, the Court of Appeals, and various subordinate courts. Judges are appointed by the central government.

Local government varies. Banjul has an elected town council. There are also four rural areas, each with a council containing a majority of elected members. Each council has its treasury and is responsible for local government services. The tribal chiefs retain traditional powers of customary law.

The Gambia is one of the few African countries with a genuine multiparty system. The governing Progressive People's Party (PPP) won the general elections of March 1972 over its principal opponent, the United Party (UP), taking 28 of the 32 elected constituencies. The National Convention Party (NCP) is now expected to be the major challenger to the PPP in the next elections scheduled for spring of 1977. A fourth party, the National Liberation Party (NLP), has also been formed.

The Gambia has no army and depends on a 775-member police force for domestic law enforcement and internal security.

Principal Government Officials

President—Alhaji Sir Dawda Kairaba JAWARA

Vice President—~~Assen Moun~~ ~~CAMARA~~
 Attorney General—Alhaji Momadu
 Lamin SAHO

Minister of External Affairs—Alhaji
 Aliou Badara N'JIE

Minister of Finance—Alhaji Ibrahima
 Muhamadu GARBA-JAHUMPA

Minister for Agriculture and Natural
 Resources—Alhaji Yaya Lang
 CEESAY

Minister for Health and Labor—Alhaji
 Kalidou SINGHATEH Jallow

The Gambia maintains no diplo-
 matic representation in the United
 States. There is an honorary Gambian
 Consul located at 300 E. 56th Street,
 New York, N.Y. 10022 (tel.
 212-355-1097).

ECONOMY

The Gambia's economy is almost
 entirely agricultural. Manufacturing ac-
 counted for 5 percent of GDP in
 1974-75. The government offers gen-
 erous tax and customs incentives to
 foreign investors under the Develop-
 ment Act of 1973.

Some subsistence crops are raised,
 primarily grain, sorghum, and rice.
 Governmental policy is designed to
 eliminate bulk cereal imports by 1980.
 Rice production has been given special

TRAVEL NOTES

Climate and Clothing—The Gambia's
 subtropical climate has a distinct hot
 rainy season (mid-May to mid-Novem-
 ber) when an umbrella is needed. During
 the cold dry season (mid-November to
 mid-May) a light jacket or sweater is
 worn.

Health—Sanitation in Banjul is fair. Tap
 water is not potable. Smallpox immuni-
 zation is required: yellow fever, tetanus,
 typhus, and typhoid are recommended.
 The swampy areas around Banjul breed
 mosquitoes.

Telecommunications—Telex service is
 available to the US, Europe, and Dakar.
 There is radiophone service to the UK,
 most of Europe, and the west coast of
 Africa.

Transportation—Banjul is 25 minutes by
 air from Dakar, where there are excellent
 and frequent worldwide connections.
 Taxis are available at stands; agree on the
 fare in advance.

emphasis, but imports are still re-
 quired. There is an IBRD-supported
 rice development program.

Although priority is given to agri-
 cultural diversification, almost all suit-
 able land is planted with peanuts. The
 customs duty on peanuts provides
 most of The Gambia's revenue. In
 1974-75 the United States furnished
 3.2 percent of recorded imports and
 received .2 percent of imports from
 The Gambia.

Fishing and tourism have developed
 rapidly in the 1970's. The fish catch
 grew from 4,500 tons in 1970-71 to
 15,000 tons in 1974. About 75 per-
 cent of the catch is consumed domes-
 tically.

Twenty-four thousand tourists
 came to The Gambia in the 1975-76
 season, a drop of 1,000 from the
 previous year, but substantially greater
 than the 800 in 1968-69. Airport and
 hotel expansion plans are aimed at
 attracting 85,000 tourists a year by
 1985.

The country is well situated to
 handle overseas trade for a large
 hinterland. The Gambia River provides
 excellent access to the interior and is
 the territory's principal means of com-
 munication and transportation. It is
 navigable by oceangoing vessels for
 150 miles (240 km.) inland and by
 small steamers for an additional 138
 miles (222 km.) to the eastern border
 and beyond. The estuary constitutes a
 good natural harbor, and Banjul is the
 only seaport. With International Devel-
 opment Assistance (IDA) aid, a deep-
 water wharf was constructed in 1974.
 Two smaller wharfs are in use already.
 There are also about 30 small stations
 along the river. Flood and salinity
 conditions limit the river's utility
 during the wet season.

The Gambia's first Five-Year Plan
 for Economic and Social Development
 1975-1980 envisages substantial steps
 forward in those fields.

FOREIGN RELATIONS

While The Gambia follows a formal
 policy of nonalignment, it maintains
 particularly close and friendly rela-
 tions with the United Kingdom, Seneg-
 al, and African states which are mem-
 bers of the British Commonwealth of
 Nations. Although its representation
 abroad is limited, The Gambia takes an

READING LIST

These titles are provided as a general
 indication of the material published on
 The Gambia. The Department of State
 does not endorse unofficial publications.

English Newspaper: *Gambia News
 Bulletin*.

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Gambia 1962 and 1963. London:
 Her Majesty's Stationery Office,
 1964.

The Gambia. London: HMSO,
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Gamble, D.P. *Bibliography of The
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Haley, Alex. *Roots*. Garden City,
 N.J.: Doubleday & Co., 1976.

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 The Gambia*. New York: United
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Woolf, Bella Sidney. *Gambia: The
 Story of the Groundnut Colony*.
 New York: Macmillan, 1952.

active interest in international—
 especially African and Arab—affairs.

The Gambia maintains especially
 close relations with Senegal, with
 which it has signed agreements for
 cooperation in the fields of defense
 and foreign affairs. Leaders of the two
 countries meet periodically to consider
 problems of mutual interest, and tech-
 nical questions are referred to an
 interministerial committee for resolu-
 tion. Each state has appointed a High
 Commissioner to reside in the capital
 of the other to facilitate regular con-
 sultations and harmonization, wher-
 ever possible, of Gambian and Seneg-
 galese policies. A Senegambian Com-
 mission and Senegambian Permanent
 Secretariat have been established.

U.S.-THE GAMBIA RELATIONS

U.S. policy is to expand and
 strengthen its friendly ties with The
 Gambia. The United States provides
 modest economic and technical assist-

ance and donates food—primarily sorghum, bulgur wheat, dry skim milk, and vegetable oil—to The Gambia through Catholic Relief Services. From 1956 through 1973 U.S. assistance totaled \$5.2 million.

To relieve some of the problems caused by the Sahel region drought, the U.S. Agency for International Development (AID) is furnishing to The Gambia emergency Public Law 480 (Food for Peace) foodstuffs and

has established a \$675,000 recovery and rehabilitation program which will emphasize short-term agriculture development projects. There is a special self-help program which amounted to \$50,000 in FY 1977.

There is a successful Peace Corps program involving about 40 volunteers, most of whom are engaged in agriculture and secondary school teaching. The current cultural exchange program is small but active.

There is little U.S. investment in The Gambia.

Principal U.S. Officials

William J. Connelley
Ambassador—~~G. Rodolph Aggrey~~ (also accredited to, and resident at, Dakar, Senegal)

Chargé d'Affaires—Michael G. Wygant

The U.S. Embassy in The Gambia is located at 16 Buckle Street, Banjul (tel. 526/7).

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THE GAMBIA
LIST OF STATE OFFICIALS

1. President of The Gambia

His Excellency, Alhaji Sir Dawda Kairaba JAWARA

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.

2. Vice President

His Excellency A.B. NJIE.

Born in 1904, Vice President Njie has served as Vice President since April of 1977. He served as Minister of Works and Services 1962-1965; Minister of State of Foreign Affairs 1967; Minister of Local Government 1968; Minister of Tourism 1970, Minister of Agriculture 1972; and Minister of External Affairs 1974 until he assumed the Vice Presidency.

3. Minister of Finance and Trade

Mr. Assan Musa CAMARA

Mr. Camara was born in 1923. He was a teacher from 1949-1959. He then served as Minister of Health and Labour; Minister of Education 1963; Minister of Works and Communications 1965; Minister of External Affairs 1968-1970; Vice President and Minister of Finance 1973-1974; Vice President and Minister of Local Government and Lands 1974-1977; Minister of Education April 1977; and Minister of Finance, and IBRD Governor since July 1977.

Permanent Secretary of the Ministry of Finance and Trade

Mr. Thomas G.G. SENGHORE

Mr. Senghore was born in 1936. He studies economics at the University of Leeds, UK where he obtained a diploma in development administration. In 1972 he became Permanent Secretary of Works and Communications and in 1974 he assumed his present position of Permanent Secretary of the Ministry of Finance and Trade. He is the present IBRD alternate governor.

4. Minister of Economic Planning and Industrial Development

Alhaji the Hon. Muhamadu Cadi CHAM, MP

Mr. Cham served as Minister of State for Information and Tourism from May - October 1972; Minister of Education from October 1972 until he became Minister of Economic Planning in July 1977.

Permanent Secretary of the Ministry of Economic Planning and Industrial Development

Dr. J. Ayo LANGLEY

Born in 1943, Dr. Langley received his B.A. in history from the University of Wales, Swansea and Ph.D. in political science from the University of Edinburgh. After having taught for 3 years, he became administrative officer in the Ministry of External Affairs and later acting High Commissioner for Nigeria in 1974.

5. Minister of Foreign Affairs

Mr. Lamin K. JABANG, MP

Mr. Jabang was born in 1942. He attended the Teacher Training College in The Gambia from 1961-1963 and later became headteacher 1966-1970. He was elected a MP in 1970; parliamentary secretary of the Ministry of External Affairs from July 1974 until April 1977 when he became Minister of Foreign Affairs.

6. Minister of Agriculture and Natural Resources

Alhaji the Hon. Yaya Lang CEESAY, CRG, MP

Born in 1936, Mr. Ceesay served in the Gambian Police Force from 1956-1959; was parliamentary secretary of the Ministry of Agriculture and Natural Resources 1965; Minister of Agriculture and Natural Resources 1968-1970; Minister of Local Government 1971 -1974 when he became Minister of Agriculture and Natural Resources.

Permanent Secretary of the Ministry of Agriculture and Natural Resources

Mr. Francis A.J. M'BOGE

Mr. M'Boge was born in 1935. He received his B.Sc. in Economics and has served in various government positions since 1963 in Local Government, the Prime Minister's office, External Affairs. He became Permanent Secretary of Agriculture and Natural Resources in 1970.

7. Minister of Works and Communications

The Hon. Bakary Landing Kuti SANYANG, MP

Mr. Sanyang was born in 1936. He was a produce inspector for the Gambian Produce Marketing Board from 1956-1962; Minister of State for Information and Tourism 1972-1974; Minister of Information 1974-1977. He was appointed Minister of Works and Communications in April 1977.

Permanent Secretary of the Ministry of Works and Communications

Alhaji the Hon. S.M. SISSOKO

Mr. Sissoko was born in 1929. He received a diploma in public and social administration. He was Permanent Secretary of Health, Labour and Social Welfare in 1973 and became Permanent Secretary of Works and Communications in 1974.

8. Minister of Information and Tourism

The Hon. Howsoon Ousman SEMEGA-JANNEH, MP

Permanent Secretary of the Ministry of Information and Tourism

Mr. Alieu M.B. JAGNE

Born in 1942, Mr. Jagne received his B.A. from Durham University and became Permanent Secretary of Information in 1974.

9. Minister of Education, Youth and Sports

Mr. Dembo JATTA, MP

Mr. Jatta was a teacher until he became Minister in July 1977.

Permanent Secretary of the Ministry of Education, Youth and Sports

Mr. A.M.B. CLARKE

Born in 1934, Mr. Clarke received his B.Sc. in Economics from the University of Belfast. Since 1955 he has served in Government including positions in the Ministry of Local Government and the Ministry of Works. He has been Permanent Secretary of Education since 1972.

10. Minister of Labor, Health and Social Welfare

The Hon. Muhamadu Cherno JALLOW, MP

Mr. Jallow was born in 1916. He was parliamentary secretary of the Ministry of Agriculture and Natural Resources from 1974 until he became Minister of Labor in April 1977.

Permanent Secretary of the Ministry of Labor, Health and Social Welfare

Mr. M.H. FYE

Mr. Fye was born in 1930. He served as Permanent Secretary of Works from 1968 until he became Permanent Secretary of Labor in 1974.

Secretary General

Mr. E.H. CHRISTENSEN

Mr. Christensen has been Secretary General since 1970. For a long time he held the portfolio for External Affairs, Head of Public Service and Secretary to the Cabinet.

E

THE GAMBIA

E. TOPICS FOR DISCUSSION

1. A small country, off the beaten track of scheduled travel through Western Africa, and with a classic, one-crop (peanuts) economy, The Gambia has adapted extremely well to its circumstances and even manifests an air of smugness about it. Ministers and Government officials are disarmingly relaxed and friendly, but their apparent insouciance and lack of sense of urgency can be frustrating at times.
2. Our relations with The Gambia are cordial and cooperation is good at the working level; results obtained so far through two completed projects (Port of Banjul and Rice Development) are acceptable, and the two on-going projects (Tourism and Infrastructure and Rural Development) have been remarkably problem-free since their inception in 1976. Because our involvement in this small country has not been extensive and because our contacts with the Government have almost invariably been limited to the permanent civil servants up to permanent secretary in the Ministries, there is still a fair amount of ignorance in the society and among the politicians about the Bank and its intentions. Our "Perm Sec" contacts have informed us frequently of the problems they have encountered when explaining to skeptical politicians why the World Bank would be attaching stringent conditions to its lending agreements, e.g., tariff revision covenants. There is thus room for educating Gambian politicians about us.
3. Because Gambians tend often to "think small", their fiscal management has proven to be extremely prudent and conservative with excessive reserves historically maintained in the groundnut stabilization fund and very low levels of new public investment realized. At the same time The Gambia has avoided becoming fixated by large, glamour projects even when encouraged to do so by their Senegalese neighbors. Thus, the Gambia River Basin Commission, set up with help from the UNDP to accelerate the exploitation of this major international waterway, has achieved little momentum; and the Senegambia Commission, set up at the insistence of Senegal largely to push along the prospective Gambia River bridge project, languishes as well.
4. Change has come about very slowly in this mostly rural (85%) and very poor (1976 GNP/capita \$170) country, but perhaps the greatest influence for change was brought about by the introduction of European winter tourists to The Gambia about ten years ago. In recent winters upwards of 20,000 foreigners have visited The Gambia annually, bringing with them additional foreign exchange for The Gambia treasury but also demands for goods and services not previously found in The Gambia. That tourism has proven to be a cultural shock for The Gambia is indisputable; our overall assessment is that The Gambia has responded well to the changes and that the Government has been encouraged by them to expand its horizon somewhat (The First Five Year Plan was recently approved and public investment has increased substantially in accordance with the Plan). We are helping the future development of tourism through our FY76 project.
5. But changes in the modern sector cannot alter the basic rural character of the country and the sahelian ecology in which it is located. The Gambian

farmer experiences the same frustrations as his Senegalese neighbor due to intermittent rainfall and poor soils; his yields are among the lowest in the world. But what is most worrisome about the Gambian situation, where population density and thus land-use intensity is greater than elsewhere in the Sahel, is the steady decline in yields despite reasonable rainfall in some years, increasing supplies of basic inputs, and generous producer prices. The reference material following this "Topics" section contains more detail on the progressive degradation of Gambian agricultural land; it is clear that, depending as it will for years to come on groundnut production, the Gambia is obliged to act now to halt the deterioration. We know the President of The Gambia is keenly aware of the problem; for our part we intend to introduce land management and conservation techniques through the successors to our first rural development project.

6. Apart from the general sahelian conditions which characterize The Gambia's rural sector, the spectre of another major drought presented itself this year as the rains were delayed nearly two months and early planted crops were lost. The Gambian delegation to the Annual Meeting confessed somewhat ruefully that the day after the Minister of Agriculture declared The Gambia "drought stricken", the rains came in earnest. Nevertheless, the question of drought relief could come up as some food shortages are expected. Our response has been that improved on-farm storage of food grains (with adequate protection against rats and mold) is being encouraged through our ongoing RD project; emergency food can be had, if necessary, through the many generous donors' channels open to The Gambia. In the long run, it will only be more careful cultivation of the land, increased yields, better storage, and development of some small-scale irrigation along the Gambia River that will provide the insurance against drought needed.

7. Impeding rural development, indeed general development throughout The Gambia, is a severe shortage of trained local managers and technicians. This human resources problem is not helped much by the existing education system which is patterned after the British system, which has produced a literacy rate less than 20% nationwide (with literacy practically non-existent in the rural areas), and which pushes out secondary school leavers who cannot find useful employment because they have no special skills.

8. We have appraised a first education project and intend to negotiate towards the end of November. Our project involves mainly technical and vocational training as these are the areas where the immediate needs are greatest and where there is the least controversy between us and the Gambians. We will attempt through this project to improve the very weak institutional set up in the sector, to stimulate some longer term planning, and to seek solutions which The Gambia can afford to the capacity constraints imposed by the primary school system (less than 20% of the eligible school-age children in The Gambia actually attend school). Perhaps we might consider adapting the existing Koranic school system, which captures a good proportion of the rural youth for some of their formative years (The Gambia is 85% Muslim), provided the Government and the leaders of the Muslim faith in The Gambia agree.

9. We think the negotiations for the education project will go smoothly except for one item of contention which might be raised during your discussion with Government officials. The Government asked us to include in the project a new \$1.2 million building for the Banjul City Council School, a secondary school whose 600 students are now doubling up in other school buildings in Banjul. The plans for the new building were included with other components in the project as prepared; our appraisal mission concluded, however, that the new building was really not needed--that for a much lower total outlay and some better scheduling and staggering of classes held in existing buildings, the 600 students could be accommodated at no cost to the quality of their education. The BCC school was then dropped from the project at the end of the appraisal, but during the Annual Meeting the Government told us that they wanted the matter reconsidered. It is clear to us that this school has become a hot issue in Banjul city politics; it is also true that city politics and national politics in The Gambia are inextricably intertwined and probably true also that the Minister of Education is under some pressure to deliver this school building. We plan to stick to our position in negotiations in hopes that the Gambians will drop the matter; we will remain open to the possible need to compromise (perhaps by including some repairs and renovations of existing buildings in the project) if it becomes clear that total intransigence on our part would weaken substantially the commitment of the Ministry of Education to the project. (c.f. Section G paras. 3.2-3.4)

10. The lack of a local source of long-term financing for hotel construction may prove to be a major constraint in the future development of the tourism sector in The Gambia. Right now, however, the market is depressed and demand for new hotels is at a standstill. While we continue to hope that private promoters will bring the needed finance with them, we are exploring other means of assuring the availability of finance such as the creation of a hotel construction fund; at least one European financing agency has expressed some interest in such a scheme. We have in The Gambia Commercial Development Bank (our prospective client in a DFC operation soon to be appraised) a possible channel, and IFC is following developments with us.

11. The need for a bridge over The Gambia River has been a major issue between Senegal and The Gambia for some time. Senegal has been trying to get The Gambia to abandon its existing ferry and have a bridge built over The Gambia River to facilitate egress from Casamance, a part of Senegal wholly to the south of The Gambia. A bridge study has been completed by BCEOM, but a review of this study revealed weaknesses in its economic evaluation and it was felt that a comprehensive transport study was needed. Such a study is now underway, financed by the Kuwait Fund. For its part, The Gambia is more interested in a dam which would regulate the river and stop the present dry season salt intrusion (100 miles upstream) in order to permit year round irrigation. ODM is currently assessing the technical feasibility of a dam at Yelitenda (south of Farofeni) based on a land resources survey conducted by ODM in 1975 following hydrological studies done in 1972 and 1974. Should the dam project prove viable, The Gambia does not oppose the idea of a dam supporting the road crossing desired by the Senegalese. However, due to technical difficulties (15 feet of muddy clays at the bottom of the river), the needed supporting structure for such a road

would greatly increase the cost of the dam while at the same time complicating sluicing through it. The FED, which at one time supported the bridge, has recently decided to postpone its decision while awaiting completion of studies of the dam. The Bank has not yet been asked officially to become involved in the project though the Government has advised us that we may be approached soon. The construction of a dam on the river will probably require agreement among The Gambia, Senegal and Guinea concerning riparian rights along The Gambia River; this problem has yet to be addressed.

F

F. REFERENCE MATERIAL

1. Brief Update of the Country Program Paper

Political Situation

1.1 In April of this year, general elections were held which returned the governing Progressive Peoples' Party to power with a slightly reduced majority. The former Minister of Finance (and Governor of the World Bank), Mr. Garba Jahumpa was alleged to have been involved in a controversial Government hotel loan (See Section G, para. 2.1) and lost his seat in the Legislature. His successor Mr. M'Boge held the position for only two months and was replaced by Mr. Musa Camara who is our new Governor.

Economic Situation

1.2 The economic situation in The Gambia continues to depend on the groundnut crop which is its main cash crop. The 1975/76 groundnut crop was disappointing. In spite of both a 19% increase in producer prices - which induced an increase in planted acreage - and favourable rainfall, the marketed crop was 4.5% below that of the previous year. The main reasons given to explain this outcome were a labour shortage at the time of weeding, the use of old or poor quality seeds and low crop yields due to the exhaustion of over-cropped soils. Export proceeds were further reduced because of a drop of 7% in f.o.b. oil and shelled nut prices. Furthermore, groundnut processing capacity continues to decline because the aged processing equipment is depreciating rapidly. The Gambian Marketing Board has announced that the 1976/77 supply of groundnuts was 9% lower than for 1975/76 in spite of the fact that producer prices were raised again (they are now 50% higher than two years ago), and that the acreage under groundnuts was greater than in 1975/76 because of a shift from millet to groundnuts in response to the higher prices. The supply of millet will be still lower this year because late rains caused severe damage to the early millet crop. A drop of 40% in harvested millet over last year is predicted. The Government asked for food aid in May estimating that their production deficit would be 3,500 tons of millet. They obtained 1,000 tons of rice from both the EEC and USAID, 750 tons from the Peoples' Republic of China and 3,360 tons of coarse grains from the FAO. Therefore, there should not be a food shortage in The Gambia this year.

1.3 The future of the balance of payments is uncertain. Export revenues have been falling because of drops in the f.o.b. price of groundnuts and their declining supply. The 1975/76 import bill was 60% above that of the previous year, due to high international inflation, the declining value of the dalasi which is linked to the British pound and an increase in the volume of imports to keep pace with the Government's investment plan. As a result, the current account deficit for 1975/76 was \$34 million (about one third of GDP), reducing foreign reserves by 50%, whereas in 1974/75 there was a surplus of \$8.6 million.

1.4 In 1975/76 current expenditures expanded by 22 percent over 1974/75 (a 45 percent increase over the approved budget) due to inflation, higher salaries (recently revised), and a proliferation of official travel overseas.

Public investment for development more than doubled, reaching \$9.2 million or 97% of planned expenditures, a considerable acceleration in the rate of implementation over the previous year. The overall budget deficit reached \$1.3 million in spite of a fiscal effort which permitted a net intake of \$17.4 million, approximately 37% higher than estimated.

1.5 In spite of the situation as described above, the economy cannot yet be considered in serious trouble; reserves exist and the Revenue Fund used to compensate for budget deficits is not yet depleted. The country has drawn on the IMF compensatory finance facility and has obtained resources under the trust fund facility, but these have not yet been used. Nevertheless, The Gambia will probably begin to face serious budget difficulties this year and in the medium term, as recurrent expenditures need to be increased, mostly to finance agricultural services and inputs necessary to stop the decline in production.

Foreign Assistance and Debt

1.6 There appears to be much foreign financial assistance available to The Gambia with commitment impeded only by the lack of good projects. We have obtained substantial contributions from aid agencies for each of our recent projects. ADB and the German KfW contributed US\$2.1 and \$3.1 millions respectively to the tourism project while the ODA and EADDA contributed US\$4.1 and \$3.3 millions respectively to the rural development project. Our strategy is to continue preparing projects in priority sectors while involving other financing agencies at an early stage of the project cycle. The Government supports this effort. The following table presents the most recent statement of Gambian foreign debt.

10/04/77
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EXTERNAL PUBLIC DEBT OUTSTANDING INCLUDING UNDISBURSED AS OF DEC. 31, 1976

INCLUDES ONLY DEBT COMMITTED JAN. 1, 1960 - DEC. 31, 1976
DEBT REPAYABLE IN FOREIGN CURRENCY AND GOODS
(IN THOUSANDS OF U.S. DOLLARS)

TYPE OF CREDITOR CREDITOR COUNTRY	DEBT OUTSTANDING : IN ARREAR				
	DISBURSED	UNDISBURSED	TOTAL	PRINCIPAL	INTEREST
MULTILATERAL LOANS					
AFRICAN DEV. BANK	-	2,313	2,313	-	-
AFRICAN DEV. FUND	461	1,851	2,312	-	-
ARAB BANK-AFRICA DEV	-	3,300	3,300	-	-
IDA	5,025	8,988	14,013	-	-
TOTAL MULTILATERAL LOANS	5,486	16,452	21,938	-	-
BILATERAL LOANS					
CHINA, P.R. OF	7	11,923	11,930	-	-
GERMANY, FED. REP. OF	109	5,479	5,588	-	-
UNITED KINGDOM	8,105	1,788	9,893	-	-
TOTAL BILATERAL LOANS	8,221	19,190	27,411	-	-
TOTAL EXTERNAL PUBLIC DEBT	13,707	35,642	49,349	-	-

NOTES: (1) ONLY DEBTS WITH AN ORIGINAL OR EXTENDED MATURITY OF OVER ONE YEAR ARE INCLUDED IN THIS TABLE.
(2) DEBT OUTSTANDING INCLUDES PRINCIPAL IN ARREARS BUT EXCLUDES INTEREST IN ARREARS.

THE GAMBIA - LENDING PROGRAM FY 77-81

(IDA US\$ Millions)

	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>Total FY 77-81</u>
Education		5.2				
Highways				3.0		
DFC				3.0		
Rural Development					10.0	
TOTAL	<u>-</u>	<u>5.2</u>	<u>-</u>	<u>6.0</u>	<u>10.0</u>	<u>21.2</u>

Extracted from RLP
10-18-77

GAMBIA

COUNTRY PROGRAM PAPER

Postscript

39. The lending program proposed in the CPP was approved by Mr. Knapp on February 13, 1976, without a Management Review Group Meeting.

Western Africa Region
2/20/76

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CONFIDENTIAL
FINAL VERSION

January 28, 1976

COUNTRY PROGRAM PAPER

THE GAMBIA

IDA Lending Program^{c/} (\$ Million)

FY69-73 FY74-78 FY77-81

1974 Population: 0.5 million^{a/} IDA 3.4 13.4 16.0
1974 per capita GNP: \$167^{b/}

Current population
growth rate: 2.6% p.a.

No. of Credits 2 4 4

No. of Credits
per mln. pop. 4 8 8

Current Exchange Rate:
Dalasi 1.65 = US\$1.00

Average Lending Per Capita Per Annum: Current \$ (Const. FY74\$)

IDA 1.4 (1.4) 5.4 (3.5) 6.4 (3.6)

^{a/} Regional estimate based on 1973 census.

^{b/} World Bank Atlas, 1975.

^{c/} The FY74-78 lending program proposed in this CPP compares with the program for the same period approved at the last CPP review in July 1972 as follows:

	<u>FY74-78 Lending Program</u>		<u>Percentage Change</u>
	<u>Approved</u>	<u>Proposed</u>	<u>Proposed/Approved</u>
Number of Credits	4	4	-
Current \$ Million	8.5	13.4	+58%
Constant FY74 \$ Million	5.4	8.8	+63%
Per capita per annum (Constant FY74 \$)	2.16	3.52	+63%

- (d) the size of the domestic market combined with the amplitude of seasonal and world market fluctuations limits returns to private investment in domestic enterprises and raises the risks to investors;
- (e) finally, and more typically, productivity is low in the rural sector, while there is a pervasive lack of managerial and technical skills throughout all sectors of the economy.

Recent Trends and Developments

5. In the political area the Government is stable, firmly committed to parliamentary democracy, and has maintained genuine individual freedom. Significant developments in international relations include a betterment of relations with Senegal, the participation of The Gambia in the EEC Lomé Convention and the Economic Community of West African States (ECOWAS), its joining of the AfDB, its diversification of its international contacts (it has established relations with the USSR and the People's Republic of China), and its willingness to take an active participation in regional and international politics (mediation between Senegal and Guinea).

6. Given the structural difficulties noted above, the country's historical economic performance has been quite commendable. To be sure, real growth has been slow and apart from tourism private entrepreneurship has contributed little to investment. However, official promotional policies have succeeded in launching a nascent tourist industry; there has been a marked rise in fisheries; visible inflation has proceeded at a relatively moderate pace; the dalasi has remained firm; and the Government has more often than not managed to maintain adequate levels of foreign exchange reserves. In fact, it was the Government's acute awareness of the economy's vulnerability which led it to adopt prudent financial policies, characterized by a reasonable tax effort (20 percent of GDP), cautious recurrent and capital expenditure levels, and efforts to generate marketing board surpluses.

7. It remains true that in absolute values, the resources available to the Gambian economy were very limited. During 1970-73, GDP in current prices averaged about \$50 million per year; exports and imports were around \$20 million and \$25 million respectively; and current government revenues were in the range of \$10-11 million per year.

8. During the past two years, The Gambia has received a windfall in the form of record increases in groundnut prices and output. There is little doubt that without it the country would have been badly hurt by inflation and the energy crisis. As it was, GDP in current prices jumped to about \$100 million in 1974 and is expected to have risen to about \$110 million in 1975. Farm incomes were nearly doubled in 1974; public sector savings (including a \$15 million surplus for The Gambia Produce Marketing Board) reached a record high of some \$20 million; the current account of the balance of payments swung from a deficit of about \$9 million to a surplus of more than \$5 million;^{1/}

^{1/} Adjusted to a fiscal year basis, as shown in the economic report, the figures would be -\$5 million and +\$10 million.

and foreign exchange reserves reached some \$35 million (equivalent to over 10 months of imports) by the end of the year. Although not as dramatic as 1974, 1975 is also expected to show good results owing to sales of the groundnut crop at or near the high prices prevailing at the beginning of the year. The rise in import prices will, however, absorb most of the increased foreign exchange receipts from exports, and the surplus in the current account of the balance of payments is expected to be negligible. Looking further ahead, the comfortable financial position achieved in the last two years is likely to be a passing phenomenon. Imports are projected to rise in current prices and exports to decline moderately, resulting in the reappearance of current account deficits, a rising domestic price level, and pressures to utilize GPMB surpluses to maintain farmer incomes.

9. The windfall receipts from groundnut sales over the past two years were not foreseen in the last CPP. What remains true, however, is that The Gambia remains an extreme case of a one-crop economy and that the longer run prospects would indicate a need for concessionary external financing to support 80 to 85 percent of the expanded 1976-1980 public investment program. Thus, the proposed Bank Group program calls only for IDA financing; the focus of this program is sharper than in 1972 (many of the studies cited in 1972 as necessary background for a better-defined program have now been completed) while the main emphasis remains support for the Government's attempts to diversify the economy and improve rural productivity. The numbers of projects in the proposed program are roughly the same as in 1972, but the amounts of proposed IDA financing are higher as a result of general inflationary pressure on projects' costs since the last CPP.

B. COUNTRY OBJECTIVES AND PERFORMANCE

10. Since independence, The Gambia has been characterized by low public development expenditures (5-6 percent of GDP) and low current expenditures in productive sectors (10 percent of the current budget). Public policy was generally oriented towards laissez-faire, with tax and other incentives applied to encourage private investment, in the last few years concentrated in tourism and fisheries, and reliance on private contractors to undertake the infrastructure projects which comprised the bulk of public investment. The principal instrument to shelter the economy from the risks and uncertainties of international trade was The Gambia Produce Marketing Board, which endeavored to stabilize prices to groundnut producers, and cushion the effects of changes in world prices through the management of its reserves. Its power to do so has been, of course, dependent on producer price policies in Senegal. More recently, the Government has recognized that greater attention should be paid to the economic and social development of the rural population, and that given the permeability of the country's borders, indirect measures would need to be supplemented by higher direct outlays to provide increased facilities and services to agriculture. A first step in this direction was the launching of a country-wide Land Resources Survey, executed by the U.K. and completed in February 1975, to formulate a comprehensive rural development strategy. Second, to capture and redirect to socially desirable goals more of the benefits which hitherto accrued to traders in the border trade, the Government extended the role of the GPMB well beyond the marketing of groundnuts into storage, transportation and processing. Finally, the international economic recession, the

high rate of world-wide inflation, and the jump in oil and food prices contributed to the Government's resolve to initiate programs aimed at diversifying the sources of foreign exchange as well as reducing reliance on vital food imports. The substantial surpluses earned by GPMB in 1974 and 1975 have strengthened the Government's financial capacity to pursue its goals.

11. These objectives are reflected in the first Five-Year Development Plan (1976-80) which advocates diversification of the economy, mainly to avoid total reliance on groundnuts and groundnut-based activities but also to further other social goals. In agriculture the objectives are to improve nutrition through diversification of the diet, to substitute for imports through intensification of rice, millet, and vegetable production, and to diversify foreign exchange earning capability through extension of cotton and lime production. In other sectors the objectives are to ameliorate nutrition and gain foreign exchange through improvement of fisheries, to gain foreign exchange and create employment through stimulation of tourism, to ameliorate nutrition and the cash flow of cattle holders and in the long run to increase exports by concentrated development of the existing large cattle herds, and to encourage employment and import substitution through the development of small industries. However, at the same time, to benefit from the comparative advantage of the country, the Plan provides for policies and programs to further develop the production of groundnuts.

12. Conscious of the urban migration which causes the Banjul area population to increase at 5 percent per year (compared to the national growth rate of 2.5 percent), and the associated problems of urban poverty and unemployment, disorderly urbanization, and insufficient public services, the Government has deliberately chosen to reorient growth in favor of the rural areas and selected secondary centers. Thus, Government is postponing expenditures in the Banjul area and is relocating central public administrative services outside of Banjul in hopes that the relative attractions of Banjul will be reduced. If urbanization continues at a rapid pace despite the Government's policies, there will be a need to formulate an urban strategy beyond what has so far been considered in the Plan.

13. From the Five Year Development Plan, our recent economic mission had deduced the amounts of public sector capital which can feasibly be invested over the next five years:

Table 1: FIVE YEAR DEVELOPMENT PLAN (1976-80)
DEVELOPMENT OUTLAYS

		(in millions of Dalasis)
<u>Productive Sectors</u>		
Agriculture	}	26.0
Livestock		
Fisheries		3.3
Forestry		5.0
Tourism		13.8
Mining, Industry		
<u>Public Utilities</u>		
Water, Electricity, Telecommunication		10.0
Sewerage		18.8
Tourism Infrastructure		6.0
<u>Communications</u>		
Road		5.0
River		8.0
Airport		10.0
<u>Social Services, Education</u>		15.0
<u>Others</u>		13.7
TOTAL		<u>134.6</u>
(Equivalent US\$ million)		(81.6)

The building of a bridge/dam at Farafenni would add 80 million Dalasis to those costs (US\$48.5 million).

Assessment of Country Objectives

14. These Five Year Plan outlays look ambitious (average annual expenditures 1975 to 1980: 10 percent of GDP versus 5 to 6 percent of GDP over the preceding five years). They represent the first step towards the following long term objectives: elimination of food imports, increase of groundnut production, restructuring of the growth pattern through the creation of new development centers, restructuring of certain administrative and social services (public administration, justice, health, education). Although it is unlikely that certain specific objectives can be met within the five year period of the Plan (e.g. doubling of groundnut production by 1980, self-sufficiency in food, creation of two new growth centers at Bassé and Farafenni), the overall approach is right and we strongly endorse it. The Plan proposes a course of action which will eventually reduce the influence on the Gambian economy of international market fluctuations; it advocates a restructuring of growth patterns in favor of the

rural population, which may not be politically hazardous insofar as the urban elite, the group most likely to suffer from it, seems to be committed to such a policy. Furthermore, the level of capital outlays is feasible, provided known foreign commitments actually materialize and are accompanied by generous provisions of technical assistance.

15. The constraint most likely to stall the efforts of the Government is the lack of human resources. The Government itself suffers from poor administrative capacity with a thinly spread and diffuse administrative infrastructure and an overall lack of administrative and managerial skills; and there is a very low level of productivity in the rural sector. These difficulties aggravate the harsh physical constraints discussed above, but the Plan is a valid expression of the Government's concern to tackle them. In addition to emphasizing the development of productive sectors (agriculture, livestock, fisheries, tourism and possibly mining), the Government is also expected to pursue a human resources development program aimed at creating in the shortest possible time a stock of trained manpower at all levels using both formal and non-formal techniques. The labor supply is not in balance with the labor demand; there is an over-supply of secondary school leavers and a lack of specialized skills. Further improvements are needed in the system of education and training to make it more responsive to the labor market and foreseeable manpower requirements, especially in public administration, the social services (including agriculture extension), the credit and banking system, and for technical, clerical and managerial positions throughout the rest of the economy.

Growth and Financial Prospects

16. GDP is expected to grow by $4\frac{1}{2}$ to 5 percent in constant prices between 1975-80, a satisfactory rate in view of the dominance of agriculture in the economy and much lower average annual growth in the preceding decade. Agriculture is expected to grow by 4 percent p.a., which is higher than in the past, mainly because of anticipated increases in the output of rice and livestock for domestic consumption. In other sectors, the principal sources of real growth will be tourism (10 percent p.a.) and fisheries (12 percent p.a.). Real growth in exports should be in the range of $3\frac{1}{2}$ percent p.a., starting from the high 1975 base year, and in imports about $4\frac{1}{2}$ percent p.a., owing in large part to increases in imports of capital goods associated with the stepped up program of investments.

17. If these real growth prospects could be matched by comparable growth of incomes and financial revenues, The Gambia would have little difficulty in mobilizing domestically a substantial share of the savings required to meet its investment targets. Unfortunately, incomes and revenues will not increase as fast as production, and most of The Gambia contribution will have to be financed out of reserves. This is because of the anticipated decline--which has already begun--in groundnut prices, and the expected rise in import prices. Thus, gross domestic income (GDI), which represents the real purchasing power of the economy and from which savings in real terms must be generated, is expected to grow less than half as fast as production between 1975-80. The underlying deterioration in the terms of trade is reflected in the balance of payments by a transition from resource surpluses in 1974 and 1975 to resource deficits increasing steadily between 1976-80. It is reflected in the Government budget by a more rapid rate of increase in current expenditure than in current revenues, and most importantly, by the need to maintain producer prices and rural incomes through the use of GPMB's accumulated reserves.

18. Based on projections of current revenue growth of 11 percent p.a. and current expenditure growth of 13 percent p.a., central government savings will average \$2 million per year before allowance for debt service and \$1.5 million per year after provision for debt service. Over the Plan period GPMB accumulated reserves would need to be drawn down by some \$15 million just to maintain producer prices at satisfactory levels. Another \$1.4 million per year, or \$7 million for the period as a whole, could reasonably be allocated to government programs aimed at diversifying the economy and raising productivity. Thus, domestic public resources available for investment would be on the order of \$14.5 million during 1976-80 or about 18 percent of the total Plan outlays. On the balance of payments side the forecast trends in total expenditure and associated import levels would require net private and public capital inflows of \$13-14 million per year, assuming the Government will accept a reduction in net foreign exchange reserves from the equivalent of ten months reserves in 1974-76 to four months reserves in 1980 (see Attachment 4). If a higher level of foreign exchange reserves is desired, the Government would need either to reduce investment and imports or secure additional foreign financing.

C. EXTERNAL ASSISTANCE

19. The following table summarizes the projected financing of The Gambia's planned investment. The foreign financing estimates are based on commitments already made or expected in the near future.

Table 2: FINANCING OF PLAN INVESTMENT

	US\$ million	Percent of Total
<u>Plan Investment 1976-80</u>	<u>81.6</u>	
Local Financing		
Current Savings (after debt service)	7.5	9.0
Drawdown GPMB Reserves	7.0	8.5
Total	<u>14.5</u>	<u>17.5</u>
Foreign Financing		
Multilateral	35.0	42.5
(IDA)	(14.0)	(17.0)
(AfDB, EEC)	(21.0)	(25.5)
Bilateral	32.5	40.0
(U.K.)	(18.0)	(22.0)
(Germany)	(6.0)	(7.5)
(USA)	(2.5)	(3.0)
(China, P.R.)	(6.0)	(7.5)
Total	<u>67.5</u>	<u>82.5</u>
Total Financing	<u>82.0</u>	<u>100.0</u>

20. Debt service is low in The Gambia because of the limited indebtedness of the country and the soft terms of foreign aid. Most of the aid The Gambia has received up to date is interest free, and the period of amortization averages 25 years. In 1973/74, public debt service amounted to less than \$1.0 million. This situation is not expected to change substantially, since most of the aid that the Government will receive over the next Five Year Plan will continue to be at concessionary terms. In fact, on our assumption, by 1980 debt service will be equivalent to 5 percent of export earnings and 6 percent of government revenue. It is still not expected to exceed 5 percent by 1985.

D. PROGRESS TOWARD PRIOR YEAR GOALS

21. The last CPP, while admitting that the size and structure of the Bank Group's Five Year Lending Program was only approximately definable because of the paucity of sectoral information, nevertheless clearly set out two major objectives for our lending:

- (a) to support the Government in diversifying production and increasing foreign exchange earnings; and
- (b) to find more rational ways to develop and adapt the educational and training system to the needs of the economy.

22. In support of the first objective, a \$1.3 million Rice Development Credit was approved during FY73. This project is now nearing completion; its main purpose of stimulating domestic production of irrigated rice as a substitute for imports has been successful, and incremental annual production of some 5,000 tons has been achieved (about 12 percent of national consumption). The fact that farmers have expanded into double cropping much more slowly than expected, despite the provision of irrigation works to make it possible, signals the continuing weakness of agricultural extension services in the rural areas of The Gambia; these will be strengthened in the second Agricultural Development project whose preparation was financed under the first credit.

23. The Infrastructure and Tourism project just presented to the Board this past December was also foreseen in the 1972 CPP as support for the first objective above. The project contains a hotel training school component as well in support of the second objective above; furthermore, the amalgamation of tourism infrastructure and public utilities for the capital city in this project resulted in an operation of sufficient size to attract two other foreign donors (ADB and KfW) and permitted economies in the use of Bank staff as was suggested in the earlier CPP for efficient operation in a country of this size.

24. The 1972 CPP did not include a specific lending operation in pursuit of the second objective above. We have, however, had an education sector mission in The Gambia this past Fall out of which should come a project for FY78 with a heavy focus on educational reform.

E. BANK GROUP STRATEGY

25. Since the 1972 CPP, two new elements have contributed substantially to the formulation of a lending program. They are The Gambia's first Five Year Development Plan and the Land Resources Survey done by ODM; these two documents give clear priority to rural development. Our strategy will primarily focus on integrated rural development with a heavy emphasis on increased productivity, institution-building and training. In the context of comprehensive projects covering most of The Gambia's rural areas, every effort will be made to coordinate our activities with those of the many other donors active in The Gambia through cofinancing. We will also try to focus on other potential foreign exchange-earning sectors to help Government ease its reliance on groundnuts (tourism, and possibly fisheries and small industries through a DFC). We will help the Government reform its education system, and we may invest in transport infrastructure to remove bottlenecks. The infrastructure of The Gambia will no longer be a major constraint to development in view of the known plans of other aid donors (Germany, AfDB, EEC) to pursue projects of this nature. The Association should primarily aim to ensure a smooth flow of goods and services, the lack of which appears to be a major hindrance to raising productivity and incomes in the rural areas. Despite the considerable improvement in major access roads, there remains some need for expansion of river transport, feeder roads, and public transportation, such as bus services, where these investments will be directly linked to development of the rural economy. The same applies to access to services (education, health, extension, credit) which will necessitate administrative decentralization and reorganization, improvement of staff in public services, and a constant review of price structure and pricing policies.

F. BANK GROUP PROGRAM

26. Gambian agriculture is carried out on compound farms which are small (average sizes: 4.3 ha in the west; 3.4 ha in the center, and 4.2 ha in the east), use mostly family labor and virtually no purchased implements or inputs. There are opportunities for increasing the productivity of both subsistence and cash crops through the use of modern cultivation methods. In the course of the next Plan period Government's objectives are basically to reduce cereal imports and to diversify cash crops. This means principally increasing local rice production, improving the yields of other cereals and promoting cash crops other than groundnuts. The strategy the Government intends to adopt for achieving these objectives is the use of well-known, but underutilized technologies and local resources. These include increasing cropping intensity on irrigated soils; using improved seeds, fertilizers, oxen, and ox-implements, and the rehabilitation of deteriorated (and the building of new) infrastructure in some areas with a high potential for increased output. However, there are serious potential bottlenecks, principally in the quality and coverage of extension services; marketing; and the ability of farmers and farmers' groups to take on increasing responsibility for the administration of the credit which would be required to promote the adoption of improved technological packages.

27. Our Second Agricultural Development Project (FY77S) will concentrate on rainfed crops in the three western divisions of the country which have until now not benefitted from externally-financed development projects in spite of their high potential in agricultural production. The project will include a

country-wide program to improve livestock production services and animal health services and to provide livestock marketing infrastructure. The project will provide for seasonal input, and longer term (ox and ox-equipment) credit; the construction of crop extraction roads; and other crop marketing infrastructure (stores and markets). Training and support facilities are also provided for extension staff and cooperative department field staff. The project will take place over four years and provides for the preparation of a follow-up project (FY81S).

28. Over the longer term, agricultural development will depend primarily on the most effective ways of using the country's main natural resource, the Gambia River. The UNDP has a study underway, and we will continue to follow its progress, although no specific lending operation is envisaged at this stage.

29. Fisheries are expected to contribute in an important way to the amelioration of the diet as well as to foreign exchange earnings. However, The Gambia's coastal waters are not extensive; to expand operations into Senegalese waters, a national fishing company would have to be set up since Senegal does not allow non-African fishing companies in its territorial waters. Marketing and storage facilities as well as credit are needed, both for the internal market and export. We have included a fisheries project in the "reserve" category; if the national company issue is resolved and there is a clear opportunity for our intervention, we will then petition to have the project admitted to the lending program.

30. The Five-Year Development Plan includes some effort to develop and assist the informal manufacturing sector. This consists largely of extension services to improve techniques and credit through the new Gambia Commercial Development Bank (GCDB) branches which are to be opened up-country. A decentralization of other industrial activities is planned (at Basse and Farafenni). An extension and diversification of agro-industries is planned (cattle and poultry feed, lime juice, simple machinery). Other import substituting industries are planned (bricks, furniture, planks manufacturing out of pressed groundnut shells, food and drinks, clothing, footwear, light agricultural machinery and metalworks, paint, a print shop). Extractive industries are also under consideration (kaolin for ceramics and bricks, ilmenite, rutile and zircon); the IFC has provided some assistance to The Gambia in assessing the relative merits of and the best methods of exploiting mineral deposits. We have included a DFC operation in the FY79 lending program in the event that GCDB proves to be a workable channel for credit to the informal manufacturing sector as well as, possibly, to private entrepreneurs in the tourism sector to finance hotel construction.

31. Transport has been given highest priority in the past, as shown by the fact that 40 percent of capital expenditures have gone to this sector in the last ten years. However, effective policies and small-scale investment are needed to make these past investments fully productive. River/road integration is an urgent need, including wharves, slipways, bridges and ferries; access to Basse, which is planned to become a regional development center, is still difficult. As there are many other donors involved in this sector, no specific operations are included in the lending program, although the agricultural development projects will probably have feeder road components.

32. The Farafenni Bridge/Dam is a question of central importance to the orientation of The Gambia's future development. It comprises regional features including Senegal, and would contribute not only to a betterment of transportation, but also to a major change in the hydrological characteristics of the Gambia River, regularizing the flow and reducing tidal incursions thereby allowing land reclamation for irrigation. It would probably adversely affect river transportation and fishing (shrimps). Moreover, it would be a large scale investment (D 80.0 million) involving presumably a sizeable labor force in the construction stage. In fact, the project has such a broad impact on this small country that realization of many parts of the Development Plan would need to be adjusted to take account of it. For example, the bridge/dam might itself mobilize and tie up practically the entire executive capacity of the country (public works, administration, transport, skilled labor force ...). We understand that the FED is coordinating the preparation of this project; we have included a notional \$10 million FY81 "reserve" project in the program as our potential contribution to it if it comes to fruition.

33. For education, the Government has fixed new priorities designed to stem the growing imbalance between school output and the requirements of the labor market on the one hand and the widening of the urban/rural educational gap on the other. The FY78 Education project would support these priorities by stressing the training of manpower to meet requirements of the labor market, mostly in the urban areas; other aid donors are considering projects in the rural areas. The project composition is still under discussion, but is likely to include:

- (a) Improvement of primary education by increasing the effectiveness of regional administration in teacher and equipment supply;
- (b) Improvement of secondary education by providing additional accommodation and equipment for science and technology teaching;
- (c) Strengthening of vocational education, to include such areas as paramedical training and teacher training, by a modest expansion of existing facilities and training programs.

A functional numeracy component has been planned for the FY77S Rural Development project; this comprises an initial approach in the nonformal education subsector.

34. Women in The Gambia seem to enjoy better opportunities than in some neighboring countries, at least in the modern sector and the administration. This reflects not only the need to employ all available skills, which are generally scarce, but also a genuine concern of the administration to respond to a rather well organized Gambian women's union. In the urban areas primary school attendance by girls increased from 43 percent in 1967 to 48 percent in 1975; in vocational schools girls enroll in such courses as mechanics and welding while boys take secretarial courses. In the rural area girls school attendance rose from 29 percent in 1967 to 33 percent in 1975. The role and the promotion of women deserve particular attention in the education project and rural development programs.

G. CONCLUSIONS AND RECOMMENDATIONS

35. After 15 years of reliance on indirect measures to stimulate development in this small open economy, the Government has chosen to intervene more actively through accelerating public expenditure guided by priorities set forth in a new five-year development plan. The earlier policy was successful in maintaining financial stability, but had limited effect on resource allocation and productivity, in large part because returns to private investment were risky or low and economic incentives to producers could not be allowed to diverge greatly from those prevailing in Senegal. Moreover, development of education, health and other social services was lagging. The decision of the Government to play a more active role was undoubtedly reinforced by the accumulation of marketing board surpluses through sensible marketing practices in a time of rising groundnut prices. The preparation of a plan was probably in large part a response to the growing number of potential aid donors (EEC, ADB, OPEC, and Centrally Planned Economies) who sought guidance for their financial and technical assistance.

36. The country's past performance merits IDA support, while the priorities set forth in the Plan provide an adequate framework for selective assistance in the future. Nevertheless, the Plan is ambitious in its assumptions both of absorptive capacity and the availability of financial resources. In the time horizon of this CPP, the problem of absorptive capacity will need to be tackled through technical assistance associated with the aid of both IDA and other donors; in the longer run, projects in education should help to improve the situation. With respect to financial resources, The Gambia's strong reserve position will certainly permit the Government to provide about 20 percent of its planned public investment, but a higher share is not likely to be feasible. This is mainly because of a projected decline in the terms of trade which will limit savings and deplete both foreign exchange and accumulated marketing board surpluses. Along with other donors our principal role will be to transfer much needed financial resources, a large proportion of which has already been committed in principle.

37. The IDA program proposed in this paper calls for one project per year in FYs 77, 78 and 79, a fourth project in FY81, and two reserve projects on which preparation work will go forward as time and circumstances permit. Agriculture and education are the priority sectors, with the agricultural projects fitted to a rural development strategy already defined in a country-wide survey executed by the U.K. The total value of the FY77-81 projects included in the lending program is \$16 million, equivalent to \$5.94 per capita.^{1/} IDA's exposure will not change significantly in spite of the increase in the volume of the proposed lending program due to similar efforts of other multilateral and bilateral aid agencies. The following table gives the expected IDA exposure as a percentage of total disbursed and outstanding debt:

1/ \$3.2 million per year; 538,000, the 1977 population.

	<u>in US\$ million</u>	
	<u>1974</u>	<u>1980</u>
Total Debt (disbursed and outstanding)	<u>13.3</u>	<u>29.4</u>
of which IDA: (amount)	3.7	10.0
(% of disbursed and outstanding)	27.8 %	29.4 %

The reserve projects would allow us to do more if the projects materialize and the availability of IDA resources permits.

38. The latest economic report, though not defined as basic, covers the new Five Year Plan and is comprehensive in the relevant sectors. Unless there are major changes in policy or conditions, we do not contemplate further country economic reports or country program papers per se until calendar 1978, but will rely on the IMF for updating macro-economic information and internal brief notes to incorporate proposed changes in our lending program. Some policy issues such as migration and irrigation, which will be treated in our Sahel studies, are pertinent to The Gambia's circumstances; urban migration, urban planning and human resources development are topics to which we will devote attention in our next economic report. Sector work in agriculture will be done in connection with the execution of the forthcoming rural development project.

Western Africa Region
January 28, 1976

THE GAMBIA: ACTUAL AND PROPOSED PROGRAM OF LENDING OPERATIONS THROUGH FY81
(\$ Million)

ATTACHMENT 1

Population: 500,000; 2.6% p.a. (1974)
GDP per capita: \$187 (1974)
Area: 10,400 square kilometers
Literacy: 10% adult pop.

		Through FY60	Actual					Current FY76	Program					Total				Reserve Projects
			FY70	FY71	FY72	FY73	FY74	FY75	FY77	FY78	FY79	FY80	FY81	FY69-73	FY74-78	FY79-80	FY81-81	
Agricultural Development I	IDA					1.3												
Agricultural Development II	IDA																	
Agricultural Livestock Development III	IDA																	
Fisheries	IDA																	3 (RD)
Education	IDA																	
Sanjol Port Rehabilitation	IDA		2.1				2.4											
Cambia River Bridge/Dam	IDA																	
Tourism Coverage and Drainage	IDA																	10 (R1)
DPC (OCDS)	IDA																	
LENDING PROGRAM	IDA		2.1			1.3	2.4											
	Ro.		1			1	1											
Lending Program in Constant FY74 \$-Million			2.4			1.1	1.8											
Commitment Deflator			87.8	98.8	110.7	122.4	132.7	141.5	150.4	158.4	166.4	174.7	183.5	192.6				
Standby	IDA																	
	Ro.																	
Commitment from other Sources																		
Multilateral: IIC																		
ADB																		
Bilateral: United Kingdom			1.2	1.8	2.3													
Germany																		
USA																		
People's Republic of China																		
IDA Gross Disbursements					0.4	0.7	1.8	1.3	0.6	1.7	2.9	1.8	1.8	2.5	1.1	8.3	6.8	10.7
Less Amortization					-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equals: Net Disbursements					0.4	0.7	1.8	1.3	0.6	1.7	2.9	1.8	1.8	2.5	1.1	8.3	6.8	10.7
Less: Interest and Charges					-	-	-	-	-	-	-	0.1	0.1	0.1	-	-	0.2	0.3
Equals: Net Transfer					0.4	0.7	1.8	1.3	0.6	1.7	2.9	1.7	1.7	2.4	1.1	8.3	6.6	10.4

Western Africa Regional Office
January 20, 1976

ATTACHMENT 2

GAMBIA: CUMULATIVE ESTIMATED AND ACTUAL DISBURSEMENTS ON LOANS AND CREDITS

(\$ millions)

as of September 30, 1975

Project & No.	Amount:		Date:		Closing Date	Forecast Date	FY'74	FY'75				FY'76				FY'77	FY'78	FY'79	FY'80	FY'81	FY'82	FY'83
	- Original	- Cancelled	- Approved	- Signed				1	2	3	4	1	2	3	4							
Bathurst	4.5		4/ 7/70	Orig:	1/31/74	9/30/70 (1st)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Port	-		1/	Rev:	12/31/75	8/31/72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IDA 187	4.5		2/	Act:	-	-	2.6	2.9	3.1	3.1	3.4	3.4	-	-	-	-	-	-	-	-	-	-
Agricultural	1.3		9/12/72	Orig:	6/30/76	8/ 8/72	.6	.7	.8	.9	1.0	1.0	1.1	1.2	1.3	-	-	-	-	-	-	-
Development	-		9/29/72	Rev:	-	6/ 1/74	.5	.7	.8	.9	1.0	1.0	1.1	1.2	1.3	-	-	-	-	-	-	-
IDA 332	1.3		4/20/73	Act:	-	-	.3	.3	.5	.6	.8	.9	-	-	-	-	-	-	-	-	-	-

1/ 2.1 million signed 5/26/70, 2.4 million signed 4/1/74
 2/ 2.1 million effective 8/14/70, 2.4 million effective 4/22/74

Controller's
 11/16/75

COUNTRY DATA - THE GAMBIA

AREA
10,400 km²POPULATION
0.38 million (mid-1972)*

DENSITY

.. Per km² of arable land

SOCIAL INDICATORS

	The Gambia		Reference Countries		
	1960	1970	1970	1970	1970
GDP PER CAPITA US\$ (ATLAS BASIS) /1	..	110 /a	160 /a	260 /a	320 /a
DEMOGRAPHIC					
Crude birth rate (per thousand)	39 /k	43 /c	51 /c	46 /c	48 /c
Crude death rate (per thousand)	21 /k	23 /c	26 /c	23 /c	15 /c
Infant mortality rate (per thousand live births)	67 /b	..	..	156 /d	93 /c,f
Life expectancy at birth (years)	..	41 /c	40	41 /c	54
Gross reproduction rate /2	..	2.8 /c	3.3 /c	3.0 /c	3.5 /c
Population growth rate /2	1.6	2.0 /c	2.7 /c	2.1 /c	3.3 /c
Population growth rate - urban	3 /b	3 /b	6 /h	4 /i	5 /i
Age structure (percent)					
0-14	38 /k	41 /i	45 /n	42	49 /a
15-64	49 /k,n	55 /i	52 /n	50	47 /a
65 and over	13 /k,o	4 /i	3 /n	4	4 /a
Age dependency ratio /4	1.0 /e,o	0.8 /i	0.9 /n	0.9	1.4 /a
Economic dependency ratio /4	..	..	1.3	1.2	2.5 /a
Urban population as percent of total	9 /b	14 /a,b	15 /h,i	29 /i	44 /a,i
Family planning: No. of acceptors cumulative (thous.)	..	..	..	..	..
No. of users (% of married women)	..	..	..	..	..
EMPLOYMENT					
Total labor force (thousands)	160 /n	230 /i,a	720 /d	1,700 /r	1,700 /e
Percentage employed in agriculture	86 /n	85 /n	76	73	50 /a
Percentage unemployed	..	..	..	7	5 /a
INCOME DISTRIBUTION					
Percent of national income received by highest 5%	..	..	..	..	..
Percent of national income received by highest 20%	..	..	..	..	..
Percent of national income received by lowest 20%	..	..	..	..	..
Percent of national income received by lowest 40%	..	..	..	..	..
DISTRIBUTION OF LAND OWNERSHIP					
% owned by top 10% of owners	..	..	..	..	..
% owned by smallest 10% of owners	..	..	..	..	..
HEALTH AND NUTRITION					
Population per physician	..	18,950 /a	22,470 /c	14,520 /e	3,860 /e
Population per nursing person	..	15,000 /a	3,350 /c	2,030 /e	3,970 /e
Population per hospital bed	650 /b,u	690 /u,v	650 /e,u	750 /e,u	1,090 /e
Per capita calorie supply as % of requirements /5	94 /v	100	94	97	102
Per capita protein supply, total (grams per day) /6	60 /z	63	57	64	70
Of which, animal and pulse	..	20 /a	19 /z	28 /a	16
Death rate 1-4 years /7	..	..	..	..	..
EDUCATION					
Adjusted /8 primary school enrollment ratio	15	32 /a	56	38 /d,x	89 /a
Adjusted /8 secondary school enrollment ratio	4	10 /e	7	15 /d,x,a	39 /z
Years of schooling provided, first and second level	17	12	13	13	12 /z
Vocational enrollment as % of sec. school enrollment	1.4	2 /a	10	7 /a	4 /a
Adult literacy rate %	..	..	..	10 /a,b,c	40 /a,b
HOUSING					
Average No. of persons per room (urban)	..	..	..	..	..
Percent of occupied units without piped water	..	..	..	..	..
Access to electricity (as % of total population)	..	..	..	..	..
Percent of rural population connected to electricity	..	..	..	..	..
CONSUMPTION					
Radio receivers per 1000 population	6	157 /a	22 /a	67 /i	374 /a
Passenger cars per 1000 population	3	8 /a	5 /a	11 /i	5 /i
Electric power consumption (kwh p.c.)	20 /a	42 /a	43 /a	77 /a	183 /a
Newsprint consumption p.c. kg per year	..	..	..	0.1 /i	0.1 /i

Notes: Figures refer either to the latest periods or to the latest years. Latest periods refer in principle to the years 1956-60 or 1966-70; the latest years in principle to 1960 and 1970.

/1 The Per Capita GDP estimate is at market prices for years other than 1970, calculated by the same conversion technique as the 1972 World Bank Atlas.

/2 Average number of daughters per woman of reproductive age.

/3 Population growth rates are for the decades ending in 1960 and 1970.

/4 Ratio of population under 15 and 65 and over to population of ages 15-64 for age dependency ratio and to labor force of ages 15-64 for economic dependency ratio.

/5 FAO reference standards represent physiological requirements for normal activity and health, taking

account of environmental temperature, body weights, and distribution by age and sex of national populations.

/6 Protein standards (requirements) for all countries as established by ILOA Economic Research Service provide for a minimum allowance of 60 grams of total protein per day, and 20 grams of animal and pulse protein, of which 10 grams should be animal protein. These standards are somewhat lower than those of 75 grams of total protein and 23 grams of animal protein as an average for the world, proposed by FAO in the Third World Food Survey.

/7 Some studies have suggested that crude death rates of children ages 1 through 4 may be used as a first approximation index of malnutrition.

/8 Percentage enrolled of corresponding population of school age as defined for each country.

/a 1977; /b Banjul only; /c 1965-70 UN estimate; /d 1968; /e 1971; /f AID estimate; /g 1960-72; /h Localities having been given the status of communes; /i Cape Verde region and the cities of Saint Louis, Indes, Koulack, Diourbel and Ziguinchor; /j Cities, Mainfash centers and Kautika centers; /k 1963; /l 1973; /m Estimate; /n 15-14 years; /o 15 years and over; /p Ratio of population under 15 and 65 and over to population 15-14 years; /q Estimate of active population in age group 15-64, based on 1973 Census; /r 1972-73 official estimate; /s 1969; /t 1967; /u Government hospital establishments and medical centers; /v 1966; /w 1961; /x 1964-66; /y Unadjusted; /z Including UNIA schools; /aa Lower secondary level; /ab definition not available; /ac 15 years and over; /ad Excludes unemployment.

* Estimated population according to 1973 Census is 0.49.

** Syria has been selected as an objective country because of its recent substantial progress in the agricultural sector, which is also a priority objective for The Gambia.

ECONOMIC WORK PROGRAM

As stated in the conclusions and recommendations in calendar 1976 and 1977, we intend to rely on the IMF for updating current economic information; and on work associated with the execution of the rural development project, which covers the largest part of the economy regionally as well as functionally, for evaluation of the most important agricultural sector issues. Our next full mission is planned for calendar 1978. This work program will economize staff resources, but we expect nevertheless to be in a position to concentrate on two issues of central importance to the country's longer term development prospects, as follows:

A. Public Resource Mobilization

Because of the country's satisfactory tax effort to-date and the need to expand current expenditure to service present and planned social and economic infrastructure, the medium term prospects for increasing central government savings are limited. Yet a review of the structure and elasticity of the tax system may reveal opportunities to increase tax recovery and improve resource mobilization in the longer term. During the next two years we will pursue this issue in cooperation with the IMF.

B. Population Growth, Migration and Urbanization

Population growth is high; the city of Banjul is expanding rapidly; and there is considerable migration across the borders. The long term outlook for growth and the quality of life is closely linked to demographic factors, The Gambia's regional resource allocation, and regional development policies. The 1978 economic report will look closely at the spatial location of activity and the human resource side of development, drawing as far as possible on rural sector work in The Gambia and studies now under way on population and migration in Senegal and the Sahel.

January 28, 1976

THE GAMBIA: ECONOMIC DEVELOPMENT DATA SHEET
(Amount in Million US Dollars)

	<u>Actual</u>		<u>Estimates</u>		<u>Projections</u>		<u>Annual Growth Rates</u>		<u>Percent of GDP</u>	
	1970	1973	1974	1975	1976	1980	1970-75	1975-80	1974	1980
A. NATIONAL ACCOUNTS										
(3-year average at 1967-69 prices & Exchange rates)										
1. GDP	32.4	36.7	35.1	39.7	41.6	51.0	4.1	5.1	100.0	100.0
2. TT adjustment	2.0	0.0	2.0	0.0	-1.8	-5.8	.	.	5.2	-11.4
3. GDY	34.4	36.7	40.1	39.7	39.8	45.2	2.8	2.6	105.2	88.6
4. Imports	19.2	19.5	20.7	21.5	22.4	26.5	2.3	3.4	54.3	69.8
5. Exports	18.3	16.5	21.1	21.9	21.5	25.8	3.7	3.3	55.3	50.6
6. Exports, TT adj.	20.3	16.5	23.1	21.9	19.7	20.0	1.5	-1.8	60.6	39.2
7. Res. gap, TT adj.	-1.1	3.0	-2.4	-0.4	2.8	6.4	.	.	-6.3	12.5
8. Total consumption	31.0	32.9	34.7	35.0	35.4	39.6	2.5	2.5	91.1	77.6
9. Gross fixed investment	2.3	6.8	3.0	5.1	7.2	12.0	17.2	18.6	7.8	23.5
10. Domestic savings	3.4	3.8	5.9	4.7	4.4	5.6	6.7	3.6	14.2	11.0
11. GDP (\$ million current prices)	42.5	69.8	100.2	109.7	113.3	165.6	20.5	8.6	.	.
B. SECTOR OUTPUT										
1. Agriculture	17.2	19.2	20.0	20.4	22.2	24.8	3.5	4.0	53	49
2. Industry and services	15.2	17.5	18.1	19.3	19.4	26.2	4.9	6.3	47	51
C. PRICES (1967-69 = 100)										
1. Export price index	123	134	210	205	198	181	10.8	-2.5	.	.
2. Import price index	108	135	175	207	223	273	13.9	5.7	.	.
3. Terms of trade index	113	99	120	99	89	66	-2.7	-8.5	.	.
4. Exch. rate (Dalasi per US\$)	2.0	1.63	1.63	1.63	1.63	1.63	.	.	.	.
D. CENTRAL GOVERNMENT FINANCES										
(Percent of GDP at current prices)										
1. Current revenue	20.6	21.1	17.0	17.0	17.8	18.3	11.1	11.0	.	.
2. Current expenditures	21.0	17.0	14.0	14.3	15.7	17.5	7.5	13.0	.	.
3. Current surplus	-0.4	4.1	3.0	2.7	2.1	0.8	.	.	.	.
4. Current surplus + net income, GPMB	2.6	4.8	16.5	11.2	4.0	-4.7	.	.	.	.
5. Investment	3.4	4.0	5.8	6.7	8.3	10.8	31.0	21.0	.	.
E. PUBLIC SECTOR INVESTMENT PROGRAM (1976-80)										
----- Annual Average -----										
	<u>Current US\$ Million</u>		<u>Percent of Total</u>							
Social Services	1.8		10.4							
Agriculture and Livestock	3.2		18.0							
Forestry and fisheries	0.4		2.3							
Mining and Industry	1.7		9.5							
Tourism	0.6		3.5							
Public Utilities	4.2		24.1							
Transportation	2.8		15.9							
Administration	2.9		16.4							
	17.6		100.0							

THE GAMBIA: IMPORT DETAIL

	Actual 1973	Estimated 19741975		Projected 19761980	
A. CONSTANT 1973 PRICES (Millions of Dalasis)					
1. Foodstuffs	8.0	7.3	7.3	7.5	7.8
2. Petroleum	2.5	2.6	2.8	2.9	3.4
3. Intermediates	6.1	6.6	7.0	7.6	9.4
4. Capital goods	9.3	7.9	9.4	9.9	14.8
5. Consumer goods	25.4	24.1	24.1	24.4	25.2
6. Non-factor services	2.0	2.1	2.2	2.4	2.8
Total	<u>53.3</u>	<u>50.6</u>	<u>52.8</u>	<u>54.7</u>	<u>63.4</u>
B. PRICE INDICES (1973 = 100)					
1. Foodstuffs	100	156	184	164	151
2. Petroleum	100	151	209	226	280
3. Intermediates	100	125	147	161	200
4. Capital goods	100	114	131	137	175
5. Consumer goods	100	125	147	161	200
6. Non-factor services	100	125	147	161	200
Total	<u>100</u>	<u>129</u>	<u>152</u>	<u>160</u>	<u>192</u>
C. CURRENT VALUES (Millions of Dalasis)					
1. Foodstuffs	8.0	11.2	13.3	12.2	11.7
2. Petroleum	2.5	3.9	5.6	6.5	9.4
3. Intermediates	6.1	8.1	10.2	12.0	18.5
4. Capital goods	9.3	8.9	12.2	13.3	25.5
5. Consumer goods	25.4	29.6	34.8	38.7	49.6
6. Non-factor services	2.0	2.6	2.9	3.4	5.0
Total	<u>52.3</u>	<u>64.3</u>	<u>79.0</u>	<u>86.1</u>	<u>114.7</u>
(Millions of US dollars)					
1. Foodstuffs	4.9	6.9	8.2	7.5	7.2
2. Petroleum	1.5	2.4	3.5	4.0	5.8
3. Intermediates	3.8	5.0	6.3	7.4	11.4
4. Capital goods	5.7	5.5	7.5	8.2	15.7
5. Consumer goods	15.6	18.2	21.4	23.8	30.5
6. Non-factor services	1.2	1.6	1.8	2.1	3.1
Total	<u>32.7</u>	<u>39.6</u>	<u>48.7</u>	<u>53.0</u>	<u>73.1</u>

THE GAMBIA: EXPORT DETAIL

	Actual 1973	Estimated 19741975		Projected 19761980	
<hr/>					
A. <u>CONSTANT 1973 PRICES</u> (Millions of Dalasis)					
1. Groundnuts	30.5	40.4	41.2	42.1	45.7
2. Fish	1.0	1.9	2.7	3.0	4.0
3. Cotton	0.0	0.2	0.5	0.5	2.5
4. Palm kernels	0.5	0.3	0.3	0.3	0.3
5. Tourism	7.2	7.9	8.7	9.6	14.0
Total	<u>39.2</u>	<u>50.7</u>	<u>52.4</u>	<u>55.5</u>	<u>66.5</u>
B. <u>PRICES (1974 = 100)</u>					
1. Groundnuts	100.0	160.0	160.0	127.0	121.0
2. Fish	100.0	81.0	80.0	90.0	130.0
3. Cotton	100.0	106.0	71.0	117.0	154.0
4. Palm kernels	100.0	181.0	92.0	115.0	126.0
5. Tourism	100.0	120.0	132.0	144.0	204.2
Total	<u>100.0</u>	<u>151.0</u>	<u>150.6</u>	<u>128.3</u>	<u>138.6</u>
C. <u>CURRENT VALUES</u> (Millions of Dalasis)					
1. Groundnuts	30.5	63.5	64.8	52.6	54.4
2. Fish	1.0	1.5	2.1	2.5	5.2
3. Cotton	0.0	0.2	0.3	0.7	4.2
4. Palm kernels	0.5	0.5	0.3	0.3	0.5
5. Tourism	7.2	9.4	11.5	13.8	28.6
Total	<u>39.2</u>	<u>75.1</u>	<u>79.0</u>	<u>69.9</u>	<u>92.9</u>
<u>(Millions of US dollars)</u>					
1. Groundnuts	18.8	39.1	39.9	32.4	33.5
2. Fish	0.6	0.9	1.3	1.6	3.2
3. Cotton	0.0	0.1	0.2	0.4	2.6
4. Palm kernels	0.3	0.3	0.2	0.2	0.3
5. Tourism	4.4	5.8	7.1	8.5	17.6
Total	<u>24.1</u>	<u>46.2</u>	<u>48.7</u>	<u>43.1</u>	<u>57.2</u>

THE CAMBIA: BALANCE OF PAYMENTS, EXTERNAL ASSISTANCE AND FOREIGN DEBT
(Million of US dollars; current prices)

	Actual 1973	Estimated 1974	Estimated 1975	Projected 1976	Projected 1980
A. SUMMARY OF BALANCE OF PAYMENTS					
1. Exports, incl. NFS	24.1	46.2	48.7	43.1	57.2
2. Imports, incl. NFS	32.7	39.6	48.7	53.0	73.7
3. Resource balance	-8.6	6.6	0.0	-9.9	-16.5
4. Net factor services					
Interest receipts	..	..	..	..	..
Interest payments	-0.2	-0.1	-0.1	-0.1	-0.8
Net investment income ^{a/}	0.6	0.6	3.2	3.8	-2.4
Workers' remittances	-1.7	-2.4	-3.2	-3.3	-4.3
Other (net)	..	..	..	..	..
5. Current transfers (net)	0.5	0.5	0.6	0.6	1.2
6. Current account balance	-9.4	5.2	0.5	-8.9	-22.8
7. Capital transfers	1.6	2.0	2.0	2.0	2.0
8. Private direct invest. (net)	2.6	-1.2	-0.7	-0.6	3.5
9. Public M+LT loans					
Disbursements	2.9	3.8	4.4	6.9	10.9
Repayments	0.2	0.4	0.4	0.4	0.7
Net disbursements	2.7	3.4	4.0	6.5	10.2
10. Short-term capital (net)	..	..	..	..	..
11. Capital n.e.i.	3.6	3.8	4.2	..	..
12. Change in reserves	-1.1	-13.2	-10.0	1.0	7.1
13. Level of reserves					
- amount	16.8	30.0	40.0	39.0	24.6
- months' imports	6	9	10	9	4
B. GRANT AND LOAN COMMITMENTS					
1. Official grants	1.6	2.0	2.0	2.0	2.0
2. Total public M+LT loans					
IBRD/IDA	1.3	2.4	4.0	4.0	4.0
Other intern'l institutions	..	0.0	2.6	5.0	4.3
Governments	..	6.2	4.0	6.0	6.0
Suppliers' credits	-	-	-	-	-
Financial institutions	-	-	-	-	-
C. MEMO ITEMS					
Grant element (%)	..	82.0	..	..	72.0
Average interest (%)	..	2.0	..	..	2.4
Average maturity (years)	..	36	..	..	30
D. EXTERNAL DEBT, END OF YEAR					
IDA	..	3.7	..	..	10.0
Other International Organizations	..	..	..	..	5.0
Government, market economies	..	9.6	..	..	14.6
Government, CPE	..	..	..	..	4.1
Total	..	13.3	..	..	34.0
Undisbursed	..	9.6	..	..	30.0
Total incl. undisbursed	..	22.9	..	..	64.0
Debt Service	..	..	..	..	..
- as % exports g.n.f.a	..	2.0	..	..	5.0
- as % Government revenue	..	4.5	..	..	6.0

^{a/} Includes estimated interest on reserves held abroad

3. Special Subject BriefThe Future of Agriculture

3.1 Some 40 percent of all Gambian soils are estimated to be suitable for agricultural purposes, with a further 14 percent less suitable but potentially productive. The remaining land is unsuitable for agriculture. In recent years, there has been an increasing amount of soil erosion in various parts of the country both because of the type of soil in some areas and because of general soil mismanagement. A major survey of land and vegetation degradation was undertaken in 1975 by the Gambian Department of Agriculture. A comparison was undertaken between surveys done in 1948 and in 1968. The exercise revealed some significant shifts in the country's ecology over that twenty year period:

<u>Vegetation and Land-use Designation</u>		<u>1948</u>	<u>1968</u>
		<u>-----</u>	<u>-----</u>
1.	FOREST (Complete ground cover of trees, as viewed from above)	28.9	3.4
2.	WOODLAND SAVANNA (tree canopy over 50-75% of ground)	31.3	4.6
3.	SAVANNA (25% tree canopy)	14.0	17.6
4.	THORN and SMALL TREE (marginal areas, usually not suitable for annual cropping)	7.8	31.7
5.	LOW BUSH SHRUB (some low bush and shrubs, visible bare soil/erosion)	0.4	19.9
6.	CROPPING W/FALLOW	17.6	5.5
7.	CONTINUOUS CROPPING	<u>0.0</u>	<u>17.3</u>
		100.0	100.0

3.2 In the past, farming followed a pattern of shifting cultivation where land was cleared out of bush, farmed for periods ranging up to 7 years, then allowed to go back to bush fallow for several (10-20) years. However, in recent years because of increased population pressure, the higher incentives to grow more cash crops, and the availability of oxen to work more acres with the limited labor supply there has been much higher land use resulting in shorter and shorter bush fallow periods. In many areas of The Gambia today, farmers are practicing nearly continuous cultivation with maximum rotation permitting land to lie fallow only two years in five. During these short periods of rest, few species of plants have time to become reestablished, and soil-building is greatly reduced as compared to the traditional bush fallow rotation. Furthermore, the land tends to be overgrazed by cows, sheep, and goats.

3.3 Although these problems are not unique to The Gambia, the relatively high population density in this country exacerbates them through an accelerated shift towards intensive land use, the cost of which is declining yields and loss of arable land. Corrections will prove to be costly but unavoidable as The Gambia will have to rely on agriculture for many decades to come.

G

G. THE STATUS OF BANK GROUP OPERATIONS IN THE GAMBIA

1. Statement of Bank Loans and IDA Credits (as of October 12, 1977)

<u>Credit Number</u>	<u>Year</u>	<u>Borrower</u>	<u>Purpose</u>	<u>Amount (US\$ million)</u>	
				<u>IDA</u>	<u>Undisbursed</u>
187-GM	1970	Republic of The Gambia	Improvement of Port of Banjul	2.1	-
333-GM	1972	Republic of The Gambia	Agricultural Development	1.3	-*
187-GM /1	1974	Republic of The Gambia	Improvement of Port of Banjul	2.4	0.6
602-GM	1976	Republic of The Gambia	Infrastructure and Tourism Development	4.0	3.7
644-GM	1976	Republic of The Gambia	Rural Development Project	4.1	4.1
			Total	<u>13.9</u> ^{/2}	<u>8.4</u>

/1 Supplementary Credit.

/2 Net of exchange adjustments.

* \$20,000 undisbursed.

2. Existing Projects

2.1 To date, the Association has financed four operations in The Gambia with total lending of US\$13.9 million. The first project for rehabilitation of the Port of Banjul has been satisfactorily completed, as was the second operation, a FY 72 Rice Development project which was quite successful in establishing year-round irrigated production. Two projects were approved in FY 76, one for Tourism and Infrastructure and the other for Rural Development:

Cr. No. 187 Banjul (formerly Bathurst) Port Project; US\$2.1 million
Credit of May 26, 1970; Effective Date: August 14, 1970;
Fully disbursed.
Supplementary Credit of US\$2.4 million of April 1, 1974;
Closing Date: December 31, 1977

This project consists mainly of the replacement of an old berth and the repair of an existing wharf. It also provides for purchase of a dredger and other equipment, and for engineering and consulting services.

The project experienced a cost overrun on civil works, explained by the fact that (a) appraisal was based on preliminary engineering; in the course of completing final engineering, quantities needed had to be increased; and (b) there was a sharp increase in the cost of building material between the time of appraisal and tenders.

On March 26, 1974, the Board approved a supplementary IDA Credit of US\$2.4 million to finance the cost overrun. Total project cost had increased from US\$2.4 million to US\$5.3 million; correspondingly, IDA financing has increased from US\$2.1 to US\$4.5 million.

The project has been progressing satisfactorily; however, the closing date has been postponed twice from December 31, 1975, to December 31, 1976, and briefly to December 1977 to enable construction of additional paving at Ocean Berth. The project is now completed.

Cr. No. 333 Agricultural Development Project; US\$1.3 million
Credit of September 29, 1972; Effective Date: April 20, 1973;
Closing Date: December 31, 1977

The project has developed 1,961 acres of irrigated rice production along the Gambia River. It is substantially completed.

Cr. No. 602 Infrastructure and Tourism Project; US\$4.0 million Credit of
January 12, 1976; Effective Date: December 16, 1976; Closing
Date: June 30, 1981.

The project would provide: tourism infrastructure, including access and secondary roads in the tourism area, extension of telecommunications facilities, sewerage services in the resort sites, market and food storage facilities

and a hotel training school; public utilities development, including expansion and improvement of the electric power and water supply systems in the Banjul/Kombo/St. Mary area, equipment to convert existing electricity generators to use heavy fuel oil and construction of a fuel oil reservoir; a program to promote tourism investment and three studies, one on the socio-economic impact of tourism, one on the feasibility of using groundnut shells to generate electricity and one on the management and tariffs of the Gambia Utilities Corporation; and technical assistance to strengthen the Gambia Utilities Corporation (GUC). In spite of a slow start, the 1976/77 tourist season went well. However, hotel investments are not profitable, at least as far as hotel accounts show; construction costs have been increasing, and following some questionable decisions involving a hotel investment of 3.7 million dalasis (about US\$2 million), the Government has become wary and the banks almost hostile to financing of hotel investments. As a result, it is doubtful whether the Government will be able to honor the stipulation in Section 4.04 of the Credit Agreement requiring that it provide no less than 5 million dalasis for hotel financing. The Tourism Liaison Board is gathering data to justify the creation of a Government-sponsored hotel financing corporation, a measure which could help to resolve the problem.

Cr. No. 644 Rural Development Project: US\$4.1 million Credit of July 19, 1976; Effective Date: November 16, 1976; Closing Date: September 30, 1981.

The project provides : a project coordinating unit; housing, offices, a training center and visual aids center for extension workers; vaccines, drugs, equipment, transport, field staff training for the improvement of animal health campaigns; water and stock routes, cattle markets, holding grounds and a pilot cattle fattening program; credit in kind to farmers, irrigated and upland agro-nomic research; a seed multiplication unit, produce markets and extraction roads; a pilot functional numeracy program; and consultancies and studies. The project is progressing satisfactorily. A more detailed description of the project is provided at the end of this section for use on the field trip to the project site.

3. Prospective Operations

3.1 Over the next four or five years, we would like to achieve a rhythm of roughly one project a year in The Gambia as shown in the lending program.

Education

3.2 A \$40,000 advance from the Project Preparation Facility was used to finance consultants' services to prepare an education project appraised earlier this year and scheduled for Board presentation early in 1978. The project provides for construction and equipment of 7 or 8 secondary technical schools, extension of the School of Nursing and Public Health in Banjul, a nurse training center up-country, four administrative centers to support up-country education facilities, and technical assistance to the Ministry of Education. Total project cost is estimated at US\$6.7 million with a proposed IDA credit of US\$5.2 million. Negotiations for this credit are scheduled for November 1977, but the exclusion of Banjul City Council School (BCC) from the project remains an issue.

3.3 The BCC School is a junior secondary school which has about 600 students and 20 teachers. The School has no building of its own; it borrows facilities from the Muslim High School in Banjul. As the Muslim High School has expanded, the BCC School is seeking new facilities. Buildings for a new BCC School were considered a possible project component at identification and the preliminary designs for the school were financed under the PPF at a cost of about US\$6,500. However, during appraisal and in light of information on manpower needs and updated project costs, it was decided not to include the BCC School in the project for the following reasons:

- (a) Secondary education is considered a low priority since without expansion of secondary schools the projected number of secondary school graduates will exceed the jobs requiring secondary school qualification. Therefore the project will at the secondary level only finance science and practical facilities to help graduates enter the labor market more effectively.
- (b) There are three schools on the proposed site for the new BCC School and the BCC School could be accommodated in these through a more flexible scheduling of classes or a full shift system. One of the schools is fully state-owned and the other two are state-aided private schools. Adoption of flexible scheduling or a shift system would allow the BCC School to operate in well-equipped facilities for less than the US\$1.2 million required to construct a new school.

3.4 Government reluctantly accepted the appraisal mission's recommendation on project composition, at appraisal, but during the Annual Meetings it asked the Bank to reconsider its position stressing that the construction of the BCC School would be an upgrading of existing capacity and not an extension; however, as stated in (b) our position is that upgrading can be achieved in less costly ways and our preference is to continue to explain to Government the reasons for the position we have taken on this issue to date and to offer assistance to help plan the absorption of the BCC School into the existing Banjul secondary schools. We shall review the issue with Government at Negotiations, and should Government take a strong position on this issue, we shall seek further guidance from the Loan Committee.

Titaniferous Metals Project

3.5 IFC has been discussing with the Gambian Government a project for titaniferous metals recovery from mineral-bearing sands. From our review of a report prepared by Matthew Hall Ortech, the consulting firm hired by the Government, the project is not attractive, since the market value of the proven reserves would not justify the investment that Ortech is proposing. IFC has recommended to Mr. Langley, the Permanent Secretary of the Ministry of Economic Planning and Industrial Development, that a rough, preliminary estimate be made to determine how much proven reserves are necessary to permit the formulation of a feasible project. Provided the answer is encouraging, the Government should continue its ongoing exploration work to prove sufficient reserves for a project.

Industrial Development

3.6 An IDF identification mission visited The Gambia in July 1977 to assess the possibility of extending a multi-purpose line of credit for US\$3.0 million to The Gambia Commercial and Development Bank. The mission reported that the bank was suffering from serious organizational problems, and that there was no credit and savings policy; however, it has recommended a start of DFC involvement in The Gambia, and appraisal has been scheduled for later this year.

Transport

3.7 Dr. J.A. Langley, the Permanent Secretary to the Ministry of Economic Planning and Development, requested IDA assistance in financing a highway maintenance project. Subsequently, the Government informed us that financing for the required studies was not available from UNDP and requested an advance from the Project Preparation Facility. A PPF was recently approved for this purpose and it is hoped to have consultants in the field by December.

3.8 The contract for execution of a comprehensive transport sector study has recently been awarded to Wilbur Smith and Col, with financing provided by the Kuwait Fund. The study is expected to start imminently and to take about six months to complete. It is important that we follow its progress closely, and time any possible involvement in the transport sector appropriately.

Rural Development Follow-Up Project

3.9 The recommendations of studies financed under the ongoing rural development project are expected to enable preparation of a follow-up project which could include extension of farm credit, agricultural extension services, and farm marketing facilities, to districts not covered under the first project.

4. Special Brief on Rural Development Project (Credit 644-GM)

<u>Appraisal</u>	October-November 1975
<u>Board</u>	June 1976
<u>Signed</u>	July 1976
<u>Effective</u>	November 1976
<u>IDA Credit</u>	\$4.1 million
<u>Disbursement</u>	Not yet commenced; applications under processing for \$0.6 million.

Previous Project. The Agricultural Development Project (Credit 333-GM US\$1.3 million) was executed between 1973 and 1976.

4.1 Project activities were concentrated in the mid-section of the country, centered on Georgetown, and were directed at establishing pump-irrigation for rice growing on the salt-free flats of the Gambia river. A total of 2,000 acres was successfully developed (appraisal target 3000 acres); however, appraisal expectations that all of this land would be double-cropped proved over-optimistic, and the actual cropping intensity was only around 1.2. Further development of irrigated rice is presently continuing under a bilateral program of the People's Republic of China, plus some technical assistance from the United Kingdom.

4.2 Aims of Present Project. The Rural Development Project (Credit 644-GM) is designed to assist in the development of the Western section of the country, from the boundary of the previous project to the coast. Salinity of the Gambia River makes this area unsuitable for irrigated rice, though long-term studies of river regulation are now under way. The project will introduce improved technical packages for groundnuts, upland and swamp rice and sorghum. A livestock component will boost beef production through improved animal health, grazing and husbandry practices.

Project area rural population: 192,000
Direct project beneficiaries : 48,000

Funds are included in the project for:

- strengthening government extension and livestock services, and improving coordination through the project's own staff;
- provision of improved inputs on a credit basis (to be supplied through an upgraded and better trained cooperative movement);
- a pilot adult functional numeracy program (literacy rates in rural areas are below 10%);
- feasibility studies on
 - (1) improving groundnut marketing
 - (2) rice development of the Jakhal Swamp

4.3 The project is jointly funded with BADEA (Banque Arabe pour le Développement Economique en Afrique) and the United Kingdom. The town of Mansakonko has been chosen for the project headquarters, with the aim of avoiding the common over-centralization of government activity in Banjul.

Project execution

4.4 The project is still in its very early stages, but so far it is being well executed and is operating according to schedule. A sound technical and managerial team has been assembled and an effective project management committee established. Field programs are scheduled to commence in June 1978; in the

meantime the building program is on schedule, though costs are higher than projected. Of the Ministries which will participate in project execution, the Cooperative Department is regarded as well administered, but the Agriculture Department has long suffered from weak staffing, and its ability to provide extension and input services will need to be carefully monitored.

4.5 As part of a program to introduce appropriate technology packages to Gambian agriculture, the project has ordered supplies of specially modified ox equipment from the Siscoma factory in Senegal. This equipment will be ready for distribution to farmers by the beginning of 1978. At the same time measures to procure suitable draft animals are being taken in cooperation with the newly established Livestock Marketing Board.

4.6 The project is already stimulating activity in a number of associated fields. Serious studies have been undertaken on organization and financial strengthening of the cooperative movement. At present there are 62 primary cooperative societies in the country, associated into the Gambian Cooperative Union (GCU). To date, these societies have functioned essentially as marketing organizations for members' produce (handling 45% of the marketed groundnut crop), while also providing small subsistence loans to members in association with GCU, which also assists the primary societies with accounting and administrative matters. The project envisages upgrading the societies to operate production credits in connection with the improved input scheme, and to market a wider variety of produce. Discussions are still continuing with the Government on the possibility of consolidating the primary societies into a smaller number, and into reforms of financial and marketing arrangements.

4.7 The research component for rice was set in motion during 1977, but the upland crops trials (groundnuts, sorghum, millet, peas and soybeans) suffered initial delays due to personnel problems. In the absence of a seeds officer (not yet recruited) other project staff have been used to get seed multiplication work under way.

4.8 Planning and design work is going ahead in connection with the functional numeracy component (now expanded to include functional literacy). An inter-agency group, the National Literacy Advisory Committee, is supervising the preparation of teaching packages and planning pilot village schemes to start in January 1978.

4.9 The Government has decided to proceed with the feasibility study for rice growing in Jackally swamp using local funds. It is expected that Government will apply to use the IDA funds allocated to the study for a similar study of the nearby Patcharr swamp.

INTERNATIONAL FINANCE CORPORATION

BRIEFING PAPER

Current Matters

THE GAMBIA

7. Promotion Mission: An IFC-promotion mission is scheduled to visit Gambia next November comprising an investment officer, an engineer, and an economist.

OFFICE MEMORANDUM

TO: Files

DATE: October 6, 1977

FROM: Fariborz Ghadar

SUBJECT: Annual Meetings - THE GAMBIA - September 1977Participants:

J. A. Langley
Permanent Secretary
Ministry of Economic
Planning and
Industrial Development

Carey J. Saunders
Divisional Director

M. H. Ortech Ltd.
(Consultant)

Mr. King

Mr. G. Boulch

Mr. Cohn

Ms. S. Ono

Mr. Quan

T. G. G. Senghore
Permanent Secretary
Ministry of Finance
and Trade

Mr. Alland

Mr. Ghadar

IFC has reviewed the consultants' report on the Elganite, Zircon, and Rutile Mining project. Mr. King, however, stated that the report dealt exclusively with the mineral deposits and the estimation of the reserves. Furthermore, he indicated that the gross value in today's prices of the total proven reserves was \$23-24 million. He asked if additional information was available on the project's capital and operating costs.

Mr. Saunders said that preliminary estimates were made in 1975, and that these costs were outdated. Using those figures and updating them the capital cost would be approximately \$12 million and the annual operating costs would be \$3-3.5 million. It was noted that the present proven reserves would therefore probably not justify such a project but that if more reserves could be proven the project may become attractive.

It was therefore recommended that

- (a) Ortech Ltd. estimate how large a reserve would be required to justify an investment and
- (b) Provided the answer is encouraging the Government should continue its ongoing exploration work to prove sufficient reserves for a project.

IFC mentioned that it may be because of the reserve size that we have not been able to find an experienced mining company interested in the project. Mr. King expressed concern that these minerals may not be of commercial quality and felt a market study would be necessary as well.

IFC stated that the additional work necessary to estimate how large a reserve would be required to justify an investment should not take long or cost much. Mr. Saunders estimated that it would take about one month and cost less than \$5,000. IFC feels this estimate is too high.

Mr. Cohn will write Mr. Langley after discussing the project with Mr. King and see in what manner IFC can be of help.

Ground Nut Briquettes

The Gambians stated that they were interested in the briquette project but felt that converting them to charcoal would be preferable. The Danish company headed by Mr. Anderson may not be interested or able to convert the briquettes to charcoal. A Japanese group, on the other hand, manufactures the machinery capable of making charcoal briquettes from the ground nut shells. However, they are only interested in selling the machinery and not necessarily investing in such a project.

Metal Working Project

Presently the Gambian Commercial Development Bank has invested in a metal working project. However, they are not happy with the operation of the Gambian owners. The Government is interested in promoting this project and a UNIDO report (which will be ready in a month) indicates that a \$2 million investment would resolve the undercapitalized nature of this operation. IFC might be able to play a role in finding a technical partner, and investing in this project.

Mr. Langley asked if IFC would be able to visit The Gambia and look at various possible projects. Mr. Cohn replied that we are looking forward to sending a promotional mission early next year to The Gambia.

Brick and Tile

Mr. Langley mentioned that a Belgian group HOIC Engineering is interested in establishing a plant for brick and roof tiles and that someone in the Ministry is presently looking at that area.

Fishing

There is an FAO study underway to see the level of investment necessary for a fishing project. A possibility might be a joint venture with the Ghanaians.

Tourism

There seems to be a drop in the number of tourists and therefore projects in this area are delayed until tourism once again increases. There are two Lebanese-Gambians that would be interested in tourism projects.

In conclusion Mr. Cohn asked that to make the promotional trip as effective as possible would the Gambians send us a list of potential projects so we can prepare ourselves for the mission. In particular, would Mr. Langley make sure we receive information on the metal working, fishing, brick and tile, and briquette project. For existing projects, we should receive the financial statements of the last 4 or 5 years.

In response to Mr. Langley's question whether IFC would be interested in vegetables, and citrus (lime) projects, Mr. Cohn replied that we are placing emphasis on agribusiness projects and would be interested in them if they are well studied and the management is reasonable.

FGhadar:ed

cc: Messrs. Kreuter, Alizai, King, Cohn, Alland, Quan, Boulch, Ms. Ono

OFFICE MEMORANDUM

TO: Files

DATE: October 11, 1977

FROM: Setsuko Ono *S.O.*SUBJECT: The Gambia-Bank Discussion at the Bank's Annual Meeting

1. On September 28 at 12:00 noon, a meeting was held between The Gambian delegation to the Bank's Annual Meeting and West Africa Region. The Gambia was represented by Dr. Langley, Permanent Secretary of the Ministry of Economic Planning and Industrial Development and Mr. Monday, former IMF Executive Director and now chairman of The Gambia Investment Board. The region was represented by Messrs. Chauffournier, de la Renaudière, Gillette, Payson, Boulch, Dufour-le Chatelier (DFC), Cooper (Education) and myself.

Ongoing Projects

2. Infrastructure and Tourism Project. The delegation brought up two issues:

- (a) Possibility of reallocating US\$40,000 from Food Storage Complex and Marketing program to feasibility and pre-investment study for vegetable production and,
- (b) Training of The Gambian counterpart for the Project Manager.

Vegetable Production. The Delegation stated that since the food storage complex and marketing program as described in the project looks unfeasible on economic grounds, the Government is eager to reallocate the potentially unused portions of the credit to a feasibility study of a vegetable production project similar to that in Senegal carried out by a large European marketing organization, Bud-Holland. The latter has already contacted the Government for such a project. The delegation wanted to know our position. Mr. de la Renaudière explained that we would look into the feasibility of such a project and consult IFC (involved in the Bud-Holland project in Senegal), our agricultural department, and our Tourism Department about the selection of consultants. If the project appears feasible, then there should be no insurmountable procedural problem in reallocating our credit.

Project Coordinator's Counterpart. Dr. Langley pointed out that although the project coordinator's Gambian counterpart was chosen by the Government, he appears not to be doing much work on this project. We asked him what in his opinion is the reason for this; he in turn requested that we look into this matter. We suggested that our next supervision mission (November) will discuss this problem with the Government.

Rural Development Project

3. The project is progressing satisfactorily and preparation of the follow-up project is being undertaken by the project coordinator. The delegation stressed that the next Rural Development project should be oriented less towards building infrastructure and more towards promoting social welfare by expanding education and health components. We agreed to take this matter up with our agricultural department. In this context, Dr. Langley informed us that a seminar on Rural Development financed by the Ford Foundation will take place in Banjul from November 28 to December 3 and that Uma Lele was invited. However, anyone else from the Bank who is interested will be welcomed.

Future Projects

4. Education Project. Dr. Langley strongly requested that the building of a new school for the students of the Banjul City Council School be reconsidered as a component of the proposed Education Project. We explained that at appraisal we dropped all components that imply support for expansion of secondary education because of the very high rate of unemployment of graduates from existing secondary schools. Moreover, since there are already three other secondary schools in the vicinity, the students of the Banjul City Council School can be accommodated in those schools by introducing a shift system. The delegation stated that it was not expansion of enrollment, but an improvement of existing inadequate facilities that was involved. It was hinted that if we drop this important component, there is a danger that we would lose the support of the Education Ministry which would jeopardize the smooth implementation of the project. We agreed to have another look.

5. DFC Project. The delegation requested that some kind of low cost housing project be combined with the DFC project. Lack of financing forced The Gambian Government to postpone all housing projects included in the present Five Year Plan. Moreover, the proposal of setting up a national construction company was rejected in favor of encouraging private contractors. We answered that we envisage a credit line for low cost housing in a DFC project but that we do not usually finance directly construction of private houses. We might, however, consider a project of Sites and Services as a future project.

General Consideration:

6. The delegation informed us that some of the political leaders in The Gambia Government are not familiar with the Bank procedures, and are rather puzzled at certain conditions imposed on the Government in the Development Credit Agreements, such as the obligation to raise tariffs for water and electricity. The delegation requested that someone from the Bank, such as the

loan officer, be sent to The Gambia to give a general explanation about Bank procedures. We agreed to take action.

7. We questioned the delegation on the status of drought in The Gambia. Dr. Langley answered that the rains came the day after The Gambia was officially declared drought-stricken. However, the delay in rainfall has caused damage to early crops and therefore the Government foresees some food shortages. Groundnut production may also decrease, but the extent of loss to the country will depend on next year's groundnut prices.

Cleared with and cc: Messrs. de la Renaudière, Gillette, Boulch

cc: Messrs. Chaufournier, Thalwitz, van Gigch, Pouliquen, Odone, Wadsworth, Guetta, Cole, Soges, Meimaris, Gois, Meyn, Cooper, Dufour-Le Chatelier, Payson

SOno:jcve

G A M B I A

UNDP ACTIVITIES

As of 30 June 1977

Project number and title	Code	Executing agency	Date approved	Estimated completion date	Estimated project cost (US dollar equivalent)	
					UNDP	Government counterpart contribution
<u>AGRICULTURE, FORESTRY AND FISHERIES (0500)</u>					564,153	125,000
GAM-72-006 DEVELOPMENT OF INSHORE FISHERIES	30	FAO	06/73	01/78	333,107	24,000
GAM-72-007 AGRICULTURAL STATISTICS	80	FAO	06/72	01/77	141,868	77,000
GAM-73-013 LIVESTOCK DEVELOPMENT	20	FAO	03/74	01/75	173,817	29,000
GAM-74-005 TEACHER TRAINING FOR THE AGRICULTURAL TRAINING INSTITUTE	60	FAO	07/74	01/78	36,955	6,100
GAM-74-008 AGRICULTURAL MARKETING ASSISTANCE	60	FAO	08/74	01/78	115,249	11,100
GAM-74-009 AGRICULTURAL CREDIT ASSISTANCE	70	FAO	10/74	01/78	109,837	7,700
GAM-75-013 DEVELOPMENT OF FISHERIES	30	FAO	11/75	01/78	49,231	
<u>EDUCATION (1500)</u>					652,253	22,000
GAM-70-002 EDUCATIONAL FILM PRODUCTION	50	UNESCO	05/70	01/77	224,663	5,100
GAM-71-005 EDUCATIONAL PLANNING	10	UNESCO	05/71	05/74	3,029	
GAM-74-004 ESTABLISHMENT OF A CURRICULUM DEVELOPMENT UNIT	10	UNESCO	08/74	01/79	275,734	19,000
GAM-75-001 FELLOWSHIP IN CURRICULUM DEVELOPMENT - A	10	UNESCO	04/75	01/77	19,200	
GAM-75-003 FELLOWSHIP IN CURRICULUM DEVELOPMENT - B	10	UNESCO	04/75	01/77	12,653	
GAM-75-014 FELLOWSHIP IN LITHOGRAPHIC PRINTING PROCESS AND GENERAL PRINTING	50	UN	06/77	01/79	45,832	6,700
GAM-75-020 STRENGTHENING OF THE GAMBIA COLLEGE	23	UNESCO	06/77	01/80	46,453	
GAM-75-021 EDUCATIONAL BROADCASTING UNIT	50	UNESCO	11/76	03/77	11,725	600
<u>GENERAL ECONOMIC AND SOCIAL POLICY AND PLANNING (2000)</u>					1,251,022	167,000
GAM-68-002 TAXATION	20	UN	12/68	01/80	201,668	15,700
GAM-71-007 COMMERCIAL AND DEVELOPMENT BANK	20	UNIDO	05/71	01/76	401,778	23,300
GAM-72-995 ACCOUNTING ADJUSTMENT 1972 REFERENCE GAM-72-004	11	UNESCO	01/72	01/75	823	
GAM-73-004 PUBLIC AND SOCIAL ADMINISTRATION	20	ILO	04/73	01/77	24,773	
GAM-73-007 ACCOUNTANCY AND AUDITING	20	UN	12/73	01/77	45,734	15,400
GAM-73-009 STATISTICS CERTIFICATE	11	UN	10/73	01/75	238,525	2,500
GAM-74-002 BUSINESS ADMINISTRATION	20	UN	05/74	01/76	17,879	3,400
GAM-74-003 DEVELOPMENT ADMINISTRATION	20	UN	05/74	01/77	36,651	3,800
GAM-74-011 ECONOMICS	11	UN	11/74	01/77	13,522	3,200
GAM-74-015 FELLOWSHIP IN OVERSEAS LEGISLATURE	20	UN	05/75	04/75	1,808	
GAM-74-016 DEVELOPMENT STRATEGY WORKSHOP	11	UNESCO	07/75	12/75	3,500	700
GAM-75-002 FELLOWSHIP IN INTERNATIONAL ECONOMICS	11	UNDP	05/75	01/78	27,600	
GAM-75-012 STRENGTHENING OF ECONOMIC PLANNING	11	UN	10/75	01/75	374,578	74,000
<u>HEALTH (2500)</u>					136,769	14,000
GAM-72-003 SURVEY OF BASIC ENVIRONMENTAL PROBLEMS IN THE BATHURST AND KEMBO ST. MARY AREA	70	WHO	03/72	01/78	136,769	14,000
<u>INDUSTRY (3500)</u>					295,034	14,000
GAM-72-004 FEASIBILITY STUDY FOR THE COMMERCIAL EXPLOITATION OF KAOLIN DEPOSITS	22	UNIDO	08/72	01/77	55,510	1,000
*GAM-73-002 MOBILE WORKSHOPS FOR AGRICULTURAL IMPLEMENTS	30	UNIDO	11/73	07/75	8,243	
*GAM-74-006 INDUSTRIAL STRATEGY AND DEVELOPMENT	10	UNIDO	08/74	01/76	18,000	
GAM-74-013 INDIGENOUS ENTERPRISES ADVISORY SCHEME	23	ILO	03/75	12/78	177,290	14,000

AS OF 30 JUNE 1977

Project number and title	Code	Executing agency	Date approved	Estimated completion date	Estimated project cost (US dollar equivalent)	
					UNDP	Government counterpart contribution
S*GAM-75-218 ESTABLISHMENT OF A BRICK PLANT	24	UNIDO	12/76	01/78	16,800	
S*GAM-75-826 PRE-FEASIBILITY STUDY FOR THE ESTABLISHMENT OF A CASSAVA STARCH GLUCOSE + FEED STUFF PRODUCTION PLANT	24	UNIDO	11/76	01/78	17,200	
<u>LABOUR, MANAGEMENT AND EMPLOYMENT (4500)</u>					384,729	58,127
GAM-71-008 HOTEL MANAGEMENT TRAINING	40	ILO	10/71	01/76	262,811	39,160
GAM-72-002 HANPOKER PLANNING AND LABOUR STATISTICS	20	ILO	05/72	01/77	115,563	12,510
GAM-75-005 STUDY TOUR - RECRUITMENT CIVIL SERVICE	30	UNDP	09/75	02/76	2,635	429
GAM-75-024 MANAGEMENT DEVELOPMENT INSTITUTE	40	UN	03/77	03/77	3,750	80
<u>NATURAL RESOURCES (5000)</u>					368,655	300,420
GAM-74-007 RURAL WATER SUPPLY	30	UN	05/74	01/79	368,655	300,420
<u>SCIENCE AND TECHNOLOGY (6500)</u>					104,963	10,300
GAM-74-012 FELLOWSHIP IN CIVIL ENGINEERING	70	UN	02/75	01/80	104,963	10,300
<u>SOCIAL SECURITY AND OTHER SOCIAL SERVICES (7000)</u>					247,027	
GAM-69-003 PHYSICAL PLANNING	30	UN	01/70	10/77	247,027	
<u>TOTAL</u>					4,535,731	747,540
OF WHICH						
IPF PROJECTS					4,532,491	737,560
PROGRAMME RESERVE PROJECTS					26,240	
SPECIAL INDUSTRIAL SERVICES (SIS) PROJECTS					36,000	

The Press in The Gambia

Print Media

Gambia has no daily newspaper. The government information office in Banjul, the capital, issues an English-language bulletin carrying international and some local news three times a week. Ten other news-sheets of local interest appear twice-weekly, weekly or less frequently.

Six periodicals have a total circulation of 4,000; in addition to these there are four parish and school journals.

There is no television service in the country.

There is no national news agency. Reuters, AFP and the Agence de Presse Senegalaise have correspondents in Banjul.

Radio

The radio is the most influential medium in The Gambia. A 1975 survey showed that a total of 60,000 radio receivers are available in the country for a population of about 500,000.

There are two broadcast stations: Radio Gambia and Radio Syd. Both are based in Banjul. Radio Gambia is the official, non-commercial, government service of information, education and entertainment. It is operated by the Department of International Broadcasting in English and in the two principal local languages, Wolof and Mandinka.

Radio Syd is a commercial station broadcasting 20 hours a day, mainly music, in English, French, Wolof and Mandinka. It also has periodic information service in Swedish for Swedish tourists.

Information and Public Affairs Department
October 18, 1977
AF:mw